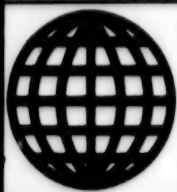


JPRS-SEA-89-021  
18 MAY 1989



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# ***JPRS Report***

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## **East Asia**

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***Southeast Asia***

# East Asia Southeast Asia

JPRS-SEA-89-021

## CONTENTS

18 MAY 1989

### CAMBODIA

#### COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Official: 57 KPNLF Members Killed in Ambush [*Bangkok THE NATION* 29 Apr] ..... 1

### INDONESIA

Technical Cooperation Program With Hungary Renewed [ <i>Jakarta Radio</i> ]	2
Alatas Confirms Planned Visit by Portuguese MPs [ <i>ANTARA</i> 10 May]	2
Surinamese Firm Wants To Buy Aircraft [ <i>ANGKATAN BERSENJATA</i> 18 Apr]	2
Suharto Affirms Essential Role of Religion in Economic Development [ <i>PELITA</i> 29 Mar]	3
Suharto Said To Confirm Need for Consensus on Succession [ <i>SUARA PEMBARUAN</i> 13 Apr]	4
Planning Minister Predicts Increase in IGGI Loans [ <i>KOMPAS</i> 25 Apr]	4
Minister Says Electricity Rate Increase No Hindrance to Exports [ <i>ANGKATAN BERSENJATA</i> 17 Apr]	6
Gas May Replace Oil [ <i>MERDEKA</i> 29 Mar]	7
Soemitro on Selection of Next President [ <i>SUARA PEMBARUAN</i> 20 Apr]	7
Trans-Maluku Route Expected Under Next 5-Year Plan [ <i>KOMPAS</i> 10 Apr]	8

### LAOS

Hungarian Aid for Bridge Construction [ <i>VIENTIANE MAI</i> 16 Mar]	10
Trade, Banking Deals With Thailand	10
Ambassador Khamphan Comments [ <i>Bangkok MATICHON</i> 31 Mar]	10
Government Views of Thai Investors [ <i>Bangkok MATICHON</i> 23 Mar]	10
Thai Banks Seek Advisory Role [ <i>Bangkok MATICHON</i> 3 Apr]	11
Thai Farmers Bank Overtures [ <i>Bangkok BAN MUANG</i> 1 Apr]	11
Foreign Trade Bank Delegation's Talks [ <i>Bangkok BAN MUANG</i> ]	11
Wood Exports [ <i>Bangkok DAILY NEWS</i> 3 Apr]	12
Thai Opposition Party Leader Venture [ <i>Bangkok NAO NA</i> 20 Mar]	12
Officials Comment on Possibilities [ <i>Bangkok THAI RAT</i> 18 Mar]	12
Alternate CC Member Attends Agricultural Co-op Meeting [ <i>VIENTIANE MAI</i> 30 Mar]	13
Ministers, Deputies, State Commission Members [ <i>Bangkok MATICHON SUT SAPDA</i> 26 Mar]	13
Leaders Comment on Elections [ <i>Bangkok MATICHON</i> 27 Mar]	14
Correspondent, Official Comment on Election [ <i>Bangkok MATICHON</i> 26 Mar]	15
Defense Minister Khamtai Profiled [ <i>Bangkok MATICHON</i> 16 Mar]	16
Biographic Profiles of Lao Candidates [ <i>PASASON</i> 10 Mar]	16
Souban on Leadership Changes; Tendencies Noted [ <i>Bangkok MATICHON SUT SAPDA</i> 26 Mar]	21
Luang Prabang Party Chief on Development, Monarchy [ <i>Bangkok MATICHON SUT SAPDA</i> 9 Apr]	23
Bolikhamtai-Nong Khai Border Crossing Unconfirmed [ <i>VIENTIANE MAI</i> 24 Mar]	24
Vientiane Signs Economic, Cultural Pact With Phnom Penh [ <i>VIENTIANE MAI</i> 27 Mar]	24
Second Generation Leadership; Thai Origins [ <i>Bangkok SIAM RAT SAPDA WICHAN</i> ]	24

### THAILAND

Columnist Views SRV Withdrawal From Cambodia [ <i>DAILY NEWS</i> 8 Apr]	26
Opinion Makers Continue Comments on Indochina Policy	26
Columnist Criticizes U.S. Cambodia Stance [ <i>DAILY NEWS</i> 17 Mar]	26
Editorial on Cambodia Stance After PM PRC Trip [ <i>SIAM RAT SAPDA WICHAN</i> 26 Mar-1 Apr]	27
Columnist on Sihanouk 'Ghost' Troops [ <i>BAN MUANG</i> 18 Mar]	27
Editorial on Chatchai PRC Trip [ <i>BAN MUANG</i> 16 Mar]	27
Asia-Pacific Center Indochina Focus [ <i>BAN MUANG</i> 19 Mar]	28
MP Views Foreign Policy Direction [ <i>THAI RAT</i> 28 Mar]	28
Northeast MP Criticizes Indochina Policy [ <i>MATICHON</i> 20 Mar]	29

Editorial Counters ASEAN Disapproval of Trade With SRV [BAN MUANG 9 Apr]	30
Cabinet Approves Expenditure Budget for 1990 [BANGKOK POST 3 May]	30

## VIETNAM

### POLITICAL

Friendship Club With Iraq Inaugurated [VNA]	32
Organization, Cadre Work Need Improvement [DAI DOAN KET 18-24 Mar]	32
Organization of Local Party Congresses Shows Renovation [SAIGON GIAI PHONG Mar]	33
Youth Union Needs Real Renovation of Its Activities [SAIGON GIAI PHONG 15 Mar]	35
Progress of Literary Renovation Examined [VAN NGHE No 10]	36
Localities Abuse Public Contribution Campaign [QUAN DOI NHAN DAN 22 Apr]	37

### MILITARY

Problems With Supply of Uniforms [QUAN DOI NHAN DAN 6 Mar]	38
Head of Combat Training Department Interviewed [QUAN DOI NHAN DAN 15 Mar]	39
Fairness of Military Draft Law Discussed [QUAN DOI NHAN DAN 16 Mar]	42
Ho Chi Minh City Military Conscription Problems [QUAN DOI NHAN DAN 17 Feb]	43
Localities Must Step Up Protection of Communications Lines [QUAN DOI NHAN DAN 27 Mar]	45

### ECONOMIC

Soviet Union Helps Hau Giang Expand Power Network [SAIGON GIAI PHONG 21 Mar]	46
Swedish Parliament To Donate Aid to Vietnam [VNA]	47
Joint Ship Repair Deal With French Firm Made [VNA]	47
Industrial Projects Set Up in Central Province [VNA]	47
Le Quang Dao Visits Agricultural Science Institute [Hanoi Radio]	47
Study of Forestry Sector Potential Planned [VNA]	48
Saigon Petro Begins Supplying Products [SAIGON GIAI PHONG 11 Mar]	48
Development of Investment Law Discussed [SAIGON GIAI PHONG 17 Mar]	48
Smuggling Along Southwestern Border Still a Problem [SAIGON GIAI PHONG 21 Mar]	50
Congress Marks Establishment of Industrialists Association [SAIGON GIAI PHONG 29 Mar]	52
Bank Applies New Interest Rates for Savings, Loans [SAIGON GIAI PHONG 29 Mar]	52
Oil-Gas Exploration Projects Still Lack Capital [SAIGON GIAI PHONG 29 Mar]	53
Hanoi Building Two Modern Hotels [TIEN PHONG 28 Feb]	53
Price of Vietnamese Gold Continually Fluctuates [TIEN PHONG 21 Feb]	53
Need for More 'Red Capitalists' Stated [DAI DOAN KET 11-17 Mar]	55
More Private Enterprises, Companies Set Up [VNA]	56
UN-Funded Project Documents Signed [VNA]	56

### SOCIAL

Swedish Reporter Views Outlook for Cultural Liberalization [Stockholm DAGENS NYHETER 13 Mar]	56
Culture Ministry Issues Directive on Video Film Shows [Hanoi Radio]	59
Subsidies for Working Mothers [PHU NU VIET NAM 22 Feb]	60

**COALITION GOVERNMENT OF  
DEMOCRATIC KAMPUCHEA**

**Official: 57 KPNLF Members Killed in Ambush**  
*BK2904054589 Bangkok THE NATION in English*  
*29 Apr 89 p 2*

[Text] A senior official of the Interior Ministry said yesterday as many as 57 Kampucheans were killed in an ambush near the Thai border in Prachin Buri on Wednesday [26 April].

Somphon Klinphongsa, deputy interior permanent secretary for security, said the dead were members of the Khmer People's National Liberation Front (KPNLF) of Son Sann.

He confirmed earlier reports that they were ambushed by soldiers of the People's Republic of Kampuchea (PRK) while they were on their way back from selling cattle to Thais inside Thailand.

They were about 500 metres inside Kampuchea when they came under attack by a unit of about 60 PRK soldiers, Somphon said.

Somphon said 57 of the 150 KPNLF guerrillas in the group were killed while another 40 injured.

He said bodies of the slain guerrillas were still left in the jungle.

The spokesman of the Supreme Command on Thursday denied people were killed in the ambush.

Somphon said the wounded were being treated at the hospital of Khao I-Dang refugee camp.

Meanwhile, military sources in Aranyaprathet, the key border town in Prachin Buri, said a unit of PRK soldiers backed by seven T-54 tanks were sent to a border area opposite Tambon Khlong Namsai.

The sources said they believed the PRK troops were planning to launch an attack on the Khmer Rouge guerrillas entrenched along Phnum Malai mountain range.

The sources expressed concerns that any military action against the Khmer Rouge would inevitably affect Thai villagers living in the border areas.



### **Technical Cooperation Program With Hungary Renewed**

*BK1005140889 Jakarta Domestic Service in Indonesian 1200 GMT 10 May 89*

[Text] Indonesia and Hungary have agreed to extend their technical cooperation program until 1991 as part of activities of the joint commission on bilateral trade and economic cooperation. The agreement was signed in Jakarta today by Rusdi Suryaatmaja, director for technical cooperation and economic services of the Department of Foreign Affairs, and Istvan Kovari, deputy director general of Hungary's Organization for International Scientific and Technical Cooperation.

The technical cooperation program was agreed upon for the first time in 1984 and valid until 1986. The technical cooperation program between Indonesia and Hungary covers the extension of scholarships, work training, equipment supply.

### **Alatas Confirms Planned Visit by Portuguese MPs**

*BK1005091089 Jakarta ANTARA in English 0855 GMT 10 May 89*

[Excerpt] Jakarta, May 10 (OANA-ANTARA)—Foreign Minister Ali Alatas confirmed reports here on Wednesday [10 May] which said that Indonesia had agreed to let a Portuguese parliamentary team visit East Timor.

The confirmation was given by Foreign Minister Ali Alatas through Foreign Office Spokesman Syamsubahri to ANTARA on a UPI report saying that the team will try to settle the longstanding dispute between the two countries on East Timor.

The problem of the visit of the Portuguese parliamentary team had been a topic of discussions at the United Nations headquarters in New York between Indonesian Ambassador Nana Sutresna and his Portuguese counterpart, Fernando Reino.

UN spokeswoman Nadia Younes, as quoted (?by UPI) said that UN Secretary General Javier Perez de Cuellar mediated a meeting on Tuesday between the two countries' ambassadors on the visit of the fact-finding team.

Meanwhile Foreign Minister Ali Alatas, as explained by Syamsubahri, said that the team better be called an "observation team" than a "fact-finding team."

The Indonesian and Portuguese Parliaments, Syamsubahri said, had agreed in principle last year on the visit of the Portuguese parliamentary team to East Timor to obtain first hand information on various matters on East Timor.

Both heads of mission at the United Nations, as explained by Nadia Younes, discussed the terms of reference, the timing and other indispensable aspects for the visit of the members of the Portuguese Parliament. [passage omitted]

### **Surinamese Firm Wants To Buy Aircraft**

*42130083a Jakarta ANGKATAN BERSENJATA in Indonesian 18 Apr 89 p 5*

[Text] Jakarta, ANGKATAN BERSENJATA—Suriname wants to buy CN-235 aircraft, made by IPTN [Nusantara Aircraft Industry], because of their quality and their price, which is competitive with the prices of similar planes made in other countries. No less important are the ties of friendship between Suriname and Indonesia.

"We want to buy them for our own needs as well as for resale in the Caribbean region," Gerard Brunnings, managing director of NV [limited company] Gonini Air Service, a Suriname air charter company, told ANTARA correspondent Parni Hadi in Paramaribo in March.

Brunnings, who visited IPTN in Bandung in January, stated that the technology employed in the CN-235 is far more advanced than that used in similar planes, like the Brazilian Embraer, the ATR-42 made jointly by France and Italy, the Canadian Dash 8, and the Swedish Saab.

"The quality of the CN-235 is far better than that of the other planes," said Brunnings, who is also a pilot.

His reference to IPTN quality was based on his experience and on his observation of the workmanship of people of Javanese ancestry in Suriname.

"Javanese are born to be meticulous workers," said Brunnings, who has employed several people of Javanese descent in his company.

According to the Indonesian ambassador to Suriname, Soekadari A. Honggowongso, and several other people of Javanese descent interviewed by ANTARA, the Javanese are very well known in Suriname as meticulous and versatile craftsmen.

Besides its high quality, he said, the CN-235 with its capacity of 35 to 40 people is more suitable and better meets the needs of the Caribbean area.

### **Spiritual Bonds**

In reply to a question, Brunnings acknowledged that there are reasons other than technical and economic (quality and price) ones for his enthusiasm for buying and marketing the CN-235.

Those reasons are the spiritual bonds and ties of friendship that he has with the people of Indonesia.

Brunnings, who is of Dutch descent, said his uncle had long lived in Indonesia and that his grandfather was the director of a sugar mill at Marienburg, near Paramaribo, which employed workers from Java.

He would be happier if the CN-235's came directly from the Bandung IPTN plant rather than from the CASA plant in Spain, although the planes from the two plants are identical since each country produces 50 percent.

He said planes from IPTN in Bandung would be of more pride to people of Javanese descent and would also introduce Indonesia to the people of Suriname and the Caribbean as makers of advanced technology products as well as producers of batik.

For the Javanese, like a man named Siman, the Indonesian success in building aircraft is truly a unique object of pride.

"Java (meaning Indonesia) has advanced to the point of building planes," he said in an interview with ANTARA on a ferry during a crossing of the Suriname River. He had heard from friends about Indonesia's ability to build aircraft.

Brunnings said his company, which was founded in 1978, wants to buy a CN-235 to expand its fleet, which consists only of three Cessna planes with a capacity of eight people each.

Besides the Gonini Air Service purchase, he feels there is a good possibility that Suriname Airways will also buy a CN-235. Suriname Airways now operates two DC-8's and two Twin Otters.

According to Brunnings, there are now only 20 passenger planes throughout Suriname. With the exception of the DC-8's, they are all small and are owned by air charter companies, air clubs, and individuals.

Brunnings, whose company also functions in sales and service, sees the CN-235 as having a big market in some Caribbean countries, which generally consist of islands.

There is no problem as to method of payment, he said. Ambassador Soekadari explained that financing of the aircraft purchase will be with the help of Japanese credit.

#### **Suharto Affirms Essential Role of Religion in Economic Development**

42130078b Jakarta PELITA in Indonesian  
29 Mar 89 p 1

[Text] President Suharto warned that the development of Indonesia's religious life cannot be separated from the principle of national development as a means of implementing PANCASILA [Five Principles of the Nation]. In the framework of implementing PANCASILA the government must help all religions and all living religious movements develop naturally in Indonesia.

Addressing the opening session of a Department of Religion meeting at the Bina Graha [Executive Building] yesterday morning, the president said Indonesia is not a religious state, it does not have a state religion and it does not differentiate between an official religion, an unofficial religion and a religion which is not recognized.

He said that the MPR's [Parliament's] determination about P4 [Guidelines for Instilling and Implementing PANCASILA] affirms that the principle of belief in the one and only God does not mean that the state will force a religion or belief in the one and only God on people. Religion and belief in the one and only God are based on conviction and cannot be forced, "and, in fact, religion and belief in the one and only God do not in themselves force the individual to embrace or follow that religion," said the president.

PANCASILA and the 1945 Constitution guarantee each citizen the freedom to embrace his religion and observe his religious beliefs.

Freedom of religion is one of the most basic of human rights because freedom of religion is directly based on the dignity of human beings as God's creation. Freedom of religion is not granted by the state or by any other group.

The president stated even more firmly that to uphold the principle of religious freedom any form of religious coercion, overt or covert, must be avoided. Religiousness is based on inner conviction and sincerity.

#### **A New Generation**

The president also stressed that he wanted each and every religion and all religions which exist and are developing in Indonesia to move forward in harmony and mutual respect. That's why the most attention should be paid to the quality of religious life and therefore to the quality of religious education.

The president said that it is through religious education that he wishes for the growth of a new generation which has firm mental steadfastness in facing all the challenges of changing times and changing social conditions.

"Religious education should not make children experience split individuality but rather should be a noble effort to strengthen our children's individuality," said the president.

He also reminded the listeners that spreading religious teachings is the noble task of all believers but that it must be done in a healthy, responsible, and peaceful way.

Indonesia will succeed in developing a healthy religious life if each religious community can implement in a healthy and responsible way its own religious education and teachings. President Suharto added that this is a responsibility to the one and only God and to the nation.

The president asked the civil servants in the Department of Religion to increase the quality of their work in order to carry out their tasks as a part of a just government apparatus in serving the religious needs of society.

He also asked them to make an effort to widen their viewpoints and to increase their capabilities so that they could handle with skill the socioreligious problems of Indonesia's pluralistic society.

H[aji] Munawir Sadzali, M.A., the minister of religion, reported that the working meeting, attended by 150 participants, would be held at the Department of Religion offices in Jakarta for 3 days. Participants are from levels I and II of the Department of Religion, the heads of Department of Religion provincial offices, the head of the religious court, and the presidents of IAIN [State Islamic Religious Institutes] from all over Indonesia.

#### **Suharto Said To Confirm Need for Consensus on Succession**

42130083b Jakarta *SUARA PEMBARUAN*  
in Indonesian 13 Apr 89 p 1

[Text] Jakarta, 13 Apr—President Suharto said the MPR [People's Consultative Assembly] selects the president. The process involves nominations by the factions, who then deliberate in an orderly way. It is possible that two, or even five, presidential candidates may be nominated by the factions, for Pancasila democracy is like that.

The head of state's comments were cited by Coordinating Minister for Politics and Security [MENKO POLKAM] Sudomo on Wednesday afternoon [12 April] in response to a press question following his call on President Suharto at Freedom Palace. The query was about the request Sudomo submitted to the chairman of the P7 [Promotion of Education on Implementation of Guidelines for Understanding and Practicing Pancasila] Team that a national consensus be formulated in the event that two presidential candidates are nominated.

Sudomo said President Suharto affirmed the view of the MENKO POLKAM that a consensus is necessary. "Write that down," Sudomo said. There is a regulation that voting may be held if consensus is not achieved, but it will not be consistent with Pancasila democracy. Such a method therefore should not be used.

Sudomo added that regulations require each faction to nominate a candidate. There is a misunderstanding, he said, as though two presidential candidates will not be permitted. Of course, it is the MPR that will make the final determination. "The factions are the ones who decided that Pak Harto [President Suharto] would be the only candidate for president," Sudomo asserted. It is possible for there to be five candidates from the five factions, because in politics it is not as easy as "two plus two equals four." A consensus must be reached, the MENKO added.

#### **Organizer of Consensus**

As for who will organize the consensus, Sudomo said the structure will consist of GOLKAR, the political parties, and community organizations. Their views will be submitted to the top body, the MPR, which is called the "superstructure." "To prevent situations like the candidacy of H.J. Naro, early preparations should be made," he continued. He then added that the present existence of two parties and one GOLKAR is a result of national consensus.

Sudomo guaranteed that there will be no trouble in the 1992 elections. "Why?" he asked. He then gave the answer himself. It is because the matter is the New Order's focus of attention, in other words, a national leadership mechanism. "First there are the elections, then the formation of the DPR [Parliament]/MPR based on the elections. The MPR formulates the GBHN [Broad Outline of State Policy] and elects the president/mandatary and the vice-president. The DPA [Supreme Advisory Council] is then formed. This has taken place four times," Sudomo said. He added that nothing went wrong in the 1987 elections, unlike 1982 and the Banteng Square incident. He proceeded to say that he guaranteed nothing will go wrong after the 1992 elections, either.

#### **Succession and Regeneration**

He said further that nothing will go wrong with succession and regeneration nor, especially, with the election of the president and vice-president. "Guaranteed, guaranteed, guaranteed," declared Sudomo. In fact, this is the main focus of the New Order. The change of president and vice-president will be "smooth," because our "political base" is strong.

Sudomo admitted that foreigners feel "there can be problems because we don't know who the candidate for president will be." That is what Westerners say. We Indonesians are different, unique. They want us to decide early because of the experience of Korea, the Philippines, and Burma. They think that if we don't establish our national leadership all kinds of things can happen. But, because under our system the president is elected directly by the MPR, we do not know who the candidate will be. This produces some uncertainty, but, of course, we have had experience with the procedures, Sudomo said.

#### **Planning Minister Predicts Increase in IGGI Loans**

42130082a Jakarta *KOMPAS* in Indonesian  
25 Apr 89 p 1

[Text] Jakarta, KOMPAS—Aid loans to Indonesia from IGGI [Inter-Governmental Group on Indonesia] members in 1989 are expected to increase from last year's total of \$4.015 billion. This expectation is based on figures now being discussed by Indonesia and the World Bank as the bank prepares a special report on Indonesia.



Prof Dr Saleh Afiff, minister of state for national development planning and chairman of BAPPENAS [National Development Planning Board], said this to KOMPAS yesterday, Monday, in Jakarta.

"Although the aid will increase, in accordance with Indonesian needs, we will continue to limit it and ensure that it is not excessive. We will continue to assess our ability to repay," said Saleh Afiff, who is also handling the duties of MENKO EKUIN [Coordinating Minister for Economics, Finance, and Industry] Radius Prawiro while he is ill.

The minister's statement related to, among other things, the visit of Drs Piet Bukman, Netherlands minister of development cooperation and chairman of the IGGI. His visit will last from Tuesday afternoon, 25 April, to 3 May. The IGGI chairman makes a visit each year prior to the IGGI meeting in mid-June. The meeting this year will be held at The Hague on 13 and 14 June.

A. Oostra, head of the Development Cooperation Section at the Netherlands embassy in Indonesia, told reporters yesterday that the IGGI chairman will visit several projects in Sumatra. Prior to that, he will hold meetings with several Indonesian ministers to gather input for the IGGI meeting.

#### Discussion

Minister Saleh Afiff would not say how much the IGGI may give to Indonesia. When asked, however, whether the sum would reach \$5 billion, he declared that such an amount will not be possible, since it would represent an increase of 25 percent.

"We are now discussing the draft of a World Bank report on Indonesia. The amount the IGGI gives will be based in part on recommendations the World Bank makes in the report," he said.

Besides giving consideration to the World Bank report, the IGGI will also analyze reports from the IMF. For the purpose of determining the amount of money for Indonesia, the IGGI asked the two international bodies to draw up reports on Indonesia. The reports are based on data obtained by the World Bank and the IMF themselves as well as on information from other sources.

The report, the draft of which has been completed, is not submitted directly to the IGGI but is discussed first with Indonesia. The Indonesian side includes BAPPENAS, the Department of Finance, and Bank Indonesia. The discussions are held so that there will be no misunderstanding or misinterpretation of data. In fact, efforts are made to ensure that their information is the same.

After the draft has been discussed, a second draft will be made based on the discussions. If there are no further differences of opinion, the second draft can be used officially as material for the IGGI. If, however, there is still any inaccuracy the second draft may be discussed further.

The amount Indonesia needs is stated concretely in the World Bank report. This merely represents a recommendation and need not always be adhered to by IGGI members. In practice, however, the amount provided has been higher than the recommendation. For example, the 1988 recommendation was only \$3.6 billion, but a total of \$4.015 billion was provided.

"Since discussions with the World Bank are not finished, the bank's recommendations are not yet known. It is expected, however, that the IGGI will give more than it did last year. The World Bank report will be forwarded to IGGI member countries 1 month before the IGGI meeting," Saleh Afiff said.

#### Special Assistance

The BAPPENAS chairman said further that foreign aid loans in the form of special assistance, whether through the IGGI or directly from member countries, will decline. The reason for this is Indonesia's rising capabilities, particularly considering that the price of oil is now \$18.00 per barrel, far more than the 1989-90 RAPBN (Draft National Budget) target of \$14.00 per barrel.

"Special assistance is provided for urgent situations, such as resolving balance of payments problems like those that occurred when the oil price fell in 1986," he said.

In last year's IGGI aid package, special assistance totaled \$1.650 billion. Then to that was added \$600 million in special assistance from the Japanese Exim Bank and \$150 million from other countries, bringing all special assistance last year to about \$2.4 billion.

This special assistance is of three types. The first is program aid, which Indonesia can use for development projects. The purpose of these funds is to overcome balance of payments problems and inadequacies in the development budget. The second is "local cost" assistance, which can be used as supporting funds for foreign aid projects. The third is "sector loans," which can be used for specified sectors, like education, irrigation, etc.

Although special assistance may decline in 1989, it is expected that the IGGI will increase its aid, thus enabling the financing of a growing number of development projects. The government so far does not know the types of projects to receive IGGI assistance, but it hopes the projects will at least not differ much from the "blue book."

The "blue book" contains the projects offered by Indonesia at each IGGI meeting. To facilitate selection, more projects are listed than are needed. Indonesia always tries to see that donor countries direct their loans toward projects included in the book. Through their selection of projects that are consistent with the Indonesian Government's desires for development, their loans will be in accord with the program for REPELITA [5-Year Development Plan] V.

Oostra said the 1989 IGGI theme will be REPELITA V. The REPELITA V program will be discussed in the June meeting, which will be attended by all 14 IGGI members, consisting of both donor countries and international organizations.

### Minister Says Electricity Rate Increase No Hindrance to Exports

42130085c Jakarta ANGKATAN BERSENJATA in Indonesian 17 Apr 89 p 1

[Text] Jakarta, ANGKATAN BERSENJATA—Minister of Industry Hartarto indicated that this year's nonoil export target of \$10,333,659,800 will not be affected by the electricity rate increase that went into effect this April.

At the Department of Industry on Saturday [15 April], Hartarto told ANGKATAN BERSENJATA that the export target for processing industries will be \$9,517,789,800, and the target for exports from industries not under the supervision of the Department of Industry (agriculture, mining, and health) will be \$815,870,000.

"God willing, the entire target will be met in spite of the electricity rate increase," he said.

According to preliminary calculations by the Department of Industry, the electricity rate hike will result in production cost increases of 1 to 6 percent in the processing industry.

Industries experiencing production cost increases of 6 percent as a result of the electricity rate increase will be those that generally use much electricity as their energy source, such as the caustic soda and steel industries.

He said the Department of Industry will examine in detail the rises in production costs caused by the electricity rate increase. Meanwhile, several textile businesses here reckoned that the increased cost of textile production will be between 2.1 and 2.8 percent. In the cement industry, increases will be less than 1 percent.

Hartarto said the \$9,517,789,800 target for exports of processing industry products is larger (by 17.62 percent) than the 1988 figure of \$8,091,780,000. He is optimistic, however, that the target can be reached in spite of the electricity rate increase. "Hard work is the way," he said, laughing.

### Depended On

Meanwhile, Engr Susanto Sahardjo, director general for miscellaneous industries, told the press on Saturday at the Department of Industry that export commodities from the miscellaneous industries group are the ones that have been depended on.

Of total 1988 exports totaling \$8,091,780,000, exports from the miscellaneous industries group amounted to \$6,109,823,100. Of the \$9,517,789,800 [as published] projected for processing industry exports in 1989, the miscellaneous industries group will account for \$7,068,001,000.

Projected 1989 export figures for the miscellaneous industries group are 15.68 percent more than the exports realized in 1988. The general and construction material industry still holds an important role in the miscellaneous industry group.

According to Susanto, foodstuff industry exports reached \$423,730,000 in 1988, following textile industries (not including small-scale industries) at \$1,167,600,000, the chemical industry at \$1,209,459,000, and the electrical equipment and metals industry at \$50,279,300. The general and construction material industry totaled \$3,258,754,800.

The value of exports from branches of the miscellaneous industry group is projected to increase in 1989. The projected value of exports from the food industry is \$468,601,900; the textile industry, \$1,392,713,300; the chemical industry, \$1,368,751,600; the electrical equipment and metals industry, \$77,146,400; and the general and construction material industry, \$3,760,787,800.

He said the effect of the electricity rate increase on the miscellaneous industries group can be called insignificant. Its effect will be between 0.5 and 3 percent.

Furthermore, said Susanto, electric power is not a dominant factor in the composition of production costs in the miscellaneous industries group. If, for example, manufacturers calculate that the electricity rate will be too burdensome to them, they will, without being instructed, change to other energy sources, such as coal or gas.

In the textile industry, for example, electricity can be replaced with diesel, and in the ceramics industry fuel oil can be replaced with coal or gas. In the plywood industry, electricity is often being replaced with scraps from the factories themselves.

Susanto said the electricity rate increase apparently is not troubling industrialists in the miscellaneous industries group very much.

"If there are problems, especially those that relate to higher production costs, the industrialists are certain to come to the Department of Industry for consultation. But, so far, none have come to discuss the electricity rate increase," he said.

For the new director general for miscellaneous industries, things like this can be indicators. The more industrialists who come, the more the problems. If few come, the situation is normal.

Although no industrialists have complained about the electricity rate increase, he will continuously monitor the extent of its effect on the commodities that are depended on in the international market. "But, so far, I don't think there is any problem," he said again.

#### **Gas May Replace Oil**

42130078a Jakarta *MERDEKA* in Indonesian  
29 Mar 89 p 1

[Text] Natural gas, which is being found in more and more places in Indonesia, may in the future replace oil as a source of energy.

Drs Faisal Abda'oe, director in chief of PERTAMINA [National Gas and Oil Company], speaking in Houston, Texas to heads of leading foreign petroleum companies, mentioned several natural gas finds in Indonesia. Some of them, he said, are located near cities, not far from the consumers.

Abda'oe said that the Indonesian government is supporting the development of natural gas as a source of energy in line with the national energy policy of lessening dependency on oil and promoting energy diversification. Abda'oe said that using alternative sources of energy, it is hoped, would lead to an increase in oil exports as a source of foreign exchange.

"In this way oil exploration can be increased so that Indonesia can continue to be a producer and exporter of oil until the 21st century," said Abda'oe.

Abda'oe pointed to several PLTU (Steam-generated Electric Plants) now being built to use natural gas as fuel as one indication of an increasing use of natural gas as a source of energy. The Gresik PLTU, with a capacity of 300 megawatts, is an example of a plant which changed from oil-fired to gas-fired and now has a capacity of about 600 megawatts.

In addition, preparations are being made to use natural gas for transportation purposes, especially for motorized vehicles, in addition to using it as an export product so that Indonesia can continue to remain the largest exporter of LNG [Liquid Natural Gas] in the world.

#### **Oil Continues To Be Important**

At the beginning of his presentation, Abda'oe admitted that the Indonesian government still considers that foreign oil contractors play an important role in Indonesia. The Indonesian government always tries to respond to complaints and questions from foreign oil contractors and then to create new and mutually-advantageous policies.

As an example he mentioned recent policies deregulating the oil industry, this includes granting new incentives, especially in difficult regions or in pretertiary fields by increasing the production sharing from 85:15 to 75:25.

"It is hoped that these more satisfactory conditions will attract foreign oil investors to maintain the continuation of Indonesian oil production," he said.

He admitted that the relatively low price of oil on the world market has been one of the causes for recent weakness in Indonesian oil exploration activities. In fact, exploration activities have been lower than Indonesian expectations.

PERTAMINA, as a business partner of foreign oil contractors operating in Indonesia, is always trying to bridge the gap so that efforts which have been successful up to now will be maintained and even increased in the future.

"And we are still convinced that foreign oil contractors in Indonesia are important because we can be mutually profitable for each other," he said.

In order to continue that cooperation PERTAMINA and the Association of Foreign Petroleum Companies in Indonesia (IPA) will always carry out a dialogue and exchange information in order to seek and produce new innovations.

"One result of that dialogue and communication is the Indonesian government's new package of incentives," he said.

Abda'oe said that an increase in nonoil and gas exports does not mean that the oil and gas sector is not important. The Indonesian government is aware of the problems caused by depending on a single commodity. As a result, oil exports, which formerly constituted 83 percent of sources of foreign exchange, now make up only 62 percent.

#### **Soemitro on Selection of Next President**

42130082b Jakarta *SUARA PEMBARUAN* in Indonesian  
20 Apr 89 p 1

[Text] Jakarta, 20 Apr—General, retired, Soemitro said on Monday that he disagrees with the opinion that a national consensus will be needed to resolve the situation if there is more than one candidate for the presidency in 1993.



In reply to a PEMBARUAN question, Soemitro noted that the UUD 1945 [1945 Constitution] has provided for this and gives opportunity for more than one candidate. (Article 6, paragraph 2: The president and vice-president shall be chosen by a majority vote of the People's Consultative Assembly [MPR].—Editor)

Thus, there is actually no problem with electing a president through MPR voting. "Therefore, I don't agree that there must be a national consensus for this," Soemitro added.

Soemitro, who is now known as a political and military observer, stated that if one is speaking of democratization methods, the practice of electing the leaders of sociopolitical organizations must begin in order that these organizations may be experimental vehicles for a democratic system. "Let's not hear again about a general chairman appearing because he was 'allocated' or, as they say, 'put into place.' In a democratic sphere, a leader must start from the bottom and be selected based on confidence from those who elect him," he asserted.

#### Small Committee

With regard to the presidential election process, Soemitro believes the MPR should create a small special committee to determine the qualifications that must be possessed by candidates for mandatar. It will be even more positive if the political perceptions of the candidates are known, Soemitro said.

He said the mass media constitute the most effective forum for enabling the people to know the quality and caliber of candidates for mandatar. The candidates may make maximum use of the mass media through interviews or through their own writing of their views. In this way, they can present their respective distinctive perceptions to the nation.

The chairman of the editorial board of TSM [TEKNOLOGI & STRATEGI MILITER] added that candidates for mandatar should have been members of the MPR/DPR [Parliament] and thus have been taught democratic attitudes. "This is important to their training and personal development, in order that they may be accustomed to discussion, dialogue, and argumentation and be able to accept criticism."

As for criteria for candidacy for mandatar, Soemitro said a person must have character and strength, since a leader is measured by his ability to face critical situations. "Thus, how much calmness and energy does he have in dealing with critical and dangerous situations? This is important, for the challenges that must be faced by an Indonesian leader in the future will be far more complex than under present conditions, especially in connection with international developments."

#### Trans-Maluku Route Expected Under Next 5-Year Plan

42130083c Jakarta KOMPAS in Indonesian  
10 Apr 89 p 2

[Text] Jakarta, KOMPAS—A trans-Maluku transportation route, which so far is merely imaginary, will almost certainly be realized in PELITA [5-Year Plan] V. Besides Department of Communications support for procuring and setting up ferries and shipping, the Finnish Government will provide government-to-government loans to Indonesia for the construction of road sectors at the regency level.

Furthermore, of 1,300 kilometers of highways, 660 kilometers have been completed and are functioning well. Another 340 kilometers are in the final stage of completion. This means only 300 kilometers remain to be built. These are generally regency roads that still need funds for their completion.

Funds from commercial loans can no longer be expected for developing a region having the same land area as the provinces of Central Java, East Java, and DIY (Yogyakarta Special Region) (less the Kulonprogo area) and a population of 1.7 million.

In a conversation with reporters in Jakarta on Saturday [8 April], Engr Soeharsono Martakim, head of the Maluku Regional Office (KAKANWIL) of the Department of Public Works, said that in the public works sector their concern, as well as the concern of the Maluku Regional Government, relates to communications, food supplies dependent on irrigation, and health and family planning, which are backed by public works for provision of clean water to the community.

#### Depend on Funds

The provision of clean water during PELITA IV reached 28 of 1,719 villages, 13 of 56 subdistrict towns, and 5 cities at the regency, municipality, and administrative city level throughout Maluku Province. Clean water facilities have reached only about 438,000 people, or about 25 percent of the population of the entire province.

In the forthcoming PELITA V, clean water facilities are programmed to reach a more extensive settled area, encompassing more than 50 percent of the village population. Soeharsono said in reply to a question that the PELITA V public works targets, including project designs, are ready. The problem will be funds. In the past, foreign providers of funds from overseas often sought projects with dimensions that were actually unnecessary for a province as weak as Maluku.

In the irrigation subsector, the Maluku Public Works Department has been able to make permanent only two dams, which irrigate 1,000 hectares of rice paddies. One

of them, with a capacity for irrigating 600 hectares, is at Waisilei in Halmahera, and the other, which can irrigate 400 hectares, is at Waibini on Buru Island.

While Buru Island was still being used for political detainees, there were eight emergency dams made of wood.

Maluku is still not self-sufficient in rice. About 80,000 tons of rice must still be imported from other regions for consumption in this area of "a thousand islands."

#### **Help From Minister of Communications**

For the trans-Maluku route, the Public Works Department is counting on the role of ferries and pioneer shipping provided by the communications sector. Although roads have been completed in the public works

sector, communications links from the north of Morotai, on the edge of the Pacific Ocean, to Wetar, northwest of East Timor, must include ferry connections between dozens of large islands.

So far, the Ambon-Namlea and the Ambon-Seram links, plus the Halmahera-Morotai link in the north, are the only ones with regular ferry connections.

Soeharsono said that some time ago Minister of Communications Anwar Anas promised to put three more pioneer ships in Maluku. Meanwhile, the KM [motor vessel] Tidar (a passenger ship), which has always sailed the Ambon-Sorong route, has been routed to Ternate before continuing to Sorong. If pioneer shipping is used more extensively for ferry operations among islands in the province, it is not impossible to imagine that a trans-Maluku route like the overland trans-Sumatra route can be realized in PELITA V.

### **Hungarian Aid for Bridge Construction**

*Vientiane VIENTIANE MAI in Lao 16 Mar 89 pp 1, 4*

[Text] The government of the People's Republic of Hungary has agreed to provide gratis financial aid to Laos to contribute to the construction of the Xe Kham Pho Bridge (on the Champassak-Attapeu border), totaling 554,600,000 kip. They will also provide Laos with loans amounting to 250 million kip.

Construction will begin this year. The bridge will be reinforced concrete measuring 8.3 by 73 meters. It is expected to be completed by 1991.

The signing ceremony for this project was held in Vientiane yesterday afternoon. Channala Chounlamani, director of the Communications Research and Design Institute and (Kanman Gabor), representing the Hungarian Ministry of Communications, Transport and Construction took part in the signing.

The ceremony took place in the presence of Oudom Khattigna, alternate member of the LPRP CC [Lao People's Revolutionary Party Central Committee] Politburo and minister of Communications, Posts and Construction, Hungarian Ambassador to the LPDR [Lao People's Democratic Republic] Alfred (Anmasi), and other high-ranking cadres involved on both sides.

### **Trade, Banking Deals With Thailand**

#### **Ambassador Khamphan Comments**

*42070085 Bangkok MATICHON in Thai 31 Mar 89 p 4*

[Excerpt] [Passage omitted] On 30 March, a seminar was held on methods and regulations in trading with Laos. Mr Khamphan Simmalavong, the Lao ambassador to Thailand, said that Laos promulgated its first investment law around the middle of March. The law gives special privileges to foreigners who are interested in investing in Laos. Investors can invest jointly with Lao government units, state enterprises, and cooperatives.

Mr Khamphan said that in cases in which foreign investors do not want to engage in a joint venture with Laos, they must put up 30 percent of the value of the project. They can remit their profits to their country through a commercial bank.

"The Lao government can assure investors that it will not nationalize their factories and that there will not be a revolution or coup," said Mr Khamphan.

Mr Khamphan said that in the case of logs, which are in great demand in Thailand, even though the Lao government has promulgated a law prohibiting the export of logs, in the wake of the trip to Laos by Mr Subin Pinkhayan, the Thai minister of commerce, Laos has agreed to consider allowing logs to be exported to Thailand on a case by case basis.

Mr Pathom Phanitchayanuson, the director of the Import-Export Control Division, Department of Foreign Trade, said that the problem facing Thai traders is that it is difficult for them to contact people with real power in Laos. They have to go through middlemen. In many cases, they are cheated. Those who hope to achieve success must have relations with people in political circles. They must have inside contacts.

#### **Government Views of Thai Investors**

*42070085 Bangkok MATICHON in Thai 23 Mar 89 p 4*

[Excerpt] [Passage omitted] A news source in the Lao government told MATICHON that at the 22 March meeting of the Council of Ministers, it was recommended that the government consider the effects of allowing more investors from Thailand than from other countries to invest in Laos. This could give Thailand an advantage.

The news source said that more than 300 Thai investors have signed trade contracts with Lao officials. But 70 percent of these are small traders or brokers. This has thrown the trade negotiations into turmoil, because these people often promise more than they can deliver. They say that they can attract investors with billions of baht, but they never do.

"The Lao government is considering limiting the number of investors to roughly the same number for each country. So far, only 18 Thai companies have been encouraged to invest jointly with the public sector," said the news source.

The news source said that besides this, the Lao Council of Ministers is considering the proposal made by Mr Sura Chanthasichawala, the president of the Siam Withaya Group, which wants to manage the Muang Lao Hotel, and the proposal made by the Mabunkhrong Company, which wants to carry on agricultural activities in Laos. It will announce its decision in the near future.

"Most recently, the Lao government granted a 3,000-rai gemstone mining concession in Huai Sai Canton, Oudomsai Province, to a private Thai company. The Thai company will get 60 percent of the profits, and Laos will get 40 percent. A total of 20 million baht will be invested the first year," said the news source.

Mr Somsak Cheokhamhaeng, the head of the Udon Thani provincial Chamber of Commerce, told MATICHON that he has heard such reports before. But it will be difficult for the Lao government to do that. However, if the Lao government is thinking about doing that, it shows they are fooling themselves. Because the number of Thai investors who are considering investing in Laos is now decreasing. This is because Laos is not yet prepared with respect to investment factors, the division of the profits, and so on.

Mr Somsak said that if Laos takes this action, those investors still interested in investing there will lose all interest. Even the memorandum that the Udon Thani Chamber of Commerce submitted to the Lao government has not produced any results.

"After the manager of the Mitsui Company was kidnapped, many investors left the country, because they weren't sure if they would be next," said Mr Somsak.

#### **Thai Banks Seek Advisory Role**

42070085 Bangkok MATICHON in Thai  
3 Apr 89 pp 1, 21

[Excerpt] [Passage omitted] A report from Bangkok Bank stated that Thai commercial banks, including the Thai Military Bank, the Thai Farmers Bank, and Bangkok Bank, are very interested in investing in Laos. The report said that a senior bank official from the Bank of Laos recently visited Thailand. Bangkok Bank verbally offered to serve as financial advisor to the Lao government.

"Senior administrators of Bangkok Bank hope to improve the bank's image and increase its prestige. Moreover, they believe that the bank's expertise in financial management will enable the bank to provide services to Laos. Analyses have shown that Laos has only \$100 million in foreign aid. This stems in part from Laos's lack of experience in seeking loans and handling currencies," said a news source.

The news source said that "we might be paid an advisor's fee and a fee for obtaining loans. But that isn't our main concern. We are more interested in building a reputation. As for opening a branch there, Bangkok Bank feels that that would make things more convenient for Thais in Laos, particularly diplomatic officials. The bank also feels that this would help pave the way to other economic sectors and that it would be in a better position to monitor the trade situation there."

The news source added that on the other hand, Laos does not have a law on financial institutions. The investment law does not discuss this. Thus, from the policy standpoint, nothing is certain. The Lao people do not earn enough to save money. Bangkok Bank is a large bank and so Laos may be wary. From what can be seen, Laos would like a large second-tier bank to come in, too, to provide balance. [passage omitted]

#### **Thai Farmers Bank Overtures**

42070085 Bangkok BAN MUANG in Thai 1 Apr 89 p 6

[Text] Mr Narong Sison, the senior deputy managing director [of the Thai Farmers Bank], revealed that in the wake of the recent meeting held with the Foreign Trade Bank of Laos, the two banks have agreed to open savings deposits accounts with each other using the baht and

dollar in order to carry on trade. It was proposed that the baht be used as the currency in carrying on trade. This will be reported to the Bank of Thailand.

Mr Narong said that Laos wants Thai banks to extend credit, and it wants Thai businessmen to invest in projects there. As far as the bank is concerned, if it is a Thai project or if it is a joint Thai-Lao venture in which the Thai company holds the majority of the shares, the bank will be glad to provide financial support. But if it is a Lao project, nothing can be done at the moment. "Laos still doesn't have a law to uphold land ownership. It does not have a banking law. Thus, it would be difficult to extend credit, because it doesn't have any collateral. This will make it difficult for Laos to expand trade."

Mr Narong said that Laos obtains most of its revenues from selling electricity to Thailand. As for foreign aid, last year, it obtained only \$100 million, or approximately 2.5 billion baht.

A report from the Bank of Thailand stated that it is now considering revising the regulation on taking baht out of the country. The changes will be announced in the near future. The purpose of this is to promote Thai-Lao trade using the baht as the medium of exchange.

#### **Foreign Trade Bank Delegation's Talks**

42070085 Bangkok BAN MUANG in Thai  
20 Mar 89 p 6

[Text] Mr Narong Sison, the senior deputy managing director of the Thai Farmers Bank, took Mrs Khemvieng Phonsanao, the chairman of the Lao Foreign Trade Bank, and her delegation to meet Mr Kamchon Sathirakun, the governor of the Bank of Thailand, in order to discuss the policy on allowing Thai commercial banks to open branches in Laos.

Mrs Khemvieng told reporters that she was told that the Bank of Thailand's policy is to allow commercial banks to open branches in Laos. Laos would be happy to have banks open branches in Laos. The policy of the Bank of Laos is to encourage foreign banks to open branches. But this depends on the method used, that is, on whether the bank handles everything itself or engages in a joint venture with Laos.

The Lao Foreign Trade Bank is the commercial bank of the Lao government. It has had close relations with the Thai Farmers Bank for several years now. Mrs Khemvieng and her delegation came here this time as guests of the Thai Farmers Bank.

Mrs Khemvieng said that she talked with Mr Kamchon about the bilateral trade situation, which is improving, in order to find a way to strengthen bilateral relations.

Mr Narong told reporters that the Thai Farmers Bank has not yet decided whether to open a branch in Laos. He will go there again next month to assess the situation.



However, the volume of trade between Thailand and Laos is still small. There might not be enough business to warrant establishing a branch there. "Laos has not yet implemented a commercial banking law."

As for which currency will be used as the medium of exchange in carrying on trade, Mr Narong said that that does not pose a problem, because Lao officials are willing to use the baht. In carrying on trade, both the baht and dollar will be used.

#### Wood Exports

42070085 Bangkok *DAILY NEWS in Thai* 3 Apr 89 p 9

[Text] A report from confidential trade circles stated that the Lao government has informed the Ministry of Commerce about what measures are to be used in collecting a tax on export logs and lumber. The duty will be approximately \$250-700 per cubic meter. This will be a fixed tax based on the type of wood and circumference.

However, Thai timber merchants feel that the rates set by Laos are rather high as compared with the rates set by other countries. It may not be worthwhile to import wood from Laos. Moreover, many people think that with respect to the amount of timber already cut before the government put a ban on timber operations, there is certainly enough left over to meet the needs of domestic consumers.

The report discussed the reason why the Lao government has set the tax so high. In the past, in exporting timber or granting concessions to private companies, certain people were responsible. The country is divided into 16 provinces and one municipality. The government stipulated that the provinces had to turn over 80 percent of their net income to the central government. But the provinces turned over little money and did not hit the targets. Thus, the central government announced that it was prohibiting the export of wood, including both logs and lumber, as of 31 December 1988.

However, the Lao government still has budget problems and so it has passed a resolution to allow each province to export wood. But the provinces must adhere to the quotas set by the central government, and the timber that is exported must be timber that was cut before the ban on exports was announced.

The report stated that another reason why the Lao government decided to set the tax so high is that many Thai timber merchants have come to Laos to purchase timber. As a result, prices have been inflated. This is a sellers' market. But Thailand can purchase timber from other sources if the cost is lower. One effect may be that wood imports by Thailand may decline, and merchants within the country will take this opportunity to increase prices. This is something that the Ministry of Commerce must watch closely.

#### Thai Opposition Party Leader Venture

42070085 Bangkok *NAEO NA in Thai*  
20 Mar 89 pp 7, 14

[Excerpt] Mr Sangwan Wongwan, the managing director of the Thepphawong Company, a subsidiary of the Thepphawong Group of Mr Narong Wongwan, the leader of the Ruam Thai Party, and a key member of the opposition, told NAEO NA that he will visit Laos at the end of March in order to sign a contract to rent a factory to produce cigarettes in Laos.

This is a 5-year contract. The company will pay 90 million baht in rent the first year. It plans to produce 30 million packs of cigarettes. In following years, payments will be based on how much production increases, with the standard being 90 million baht per 30 million packs.

Besides having to pay a yearly rent, the company must also improve the equipment at the factory. That will cost another 20 million baht. Most of the tobacco used will come from Thailand. About 200 tons of Virginia tobacco will be brought in each year. This will be mixed with a local Lao variety of tobacco.

One brand that will be produced is the A Deng Brand, which is popular in Laos. The company will also produce another brand but has not decided on what name to use.

Laos wanted the company to sign a 20-30 year contract, but the company felt that it should see how things go first. Thus, it signed a 5-year contract. If things go well, the contract can be extended.

Production should get underway this June. The company is ready. The only thing that needs to be done before production can get underway is to upgrade the machinery. In the future, the company plans to purchase the copyrights to such well-known brands of cigarettes as Marlboro, Winston, and 555. It will produce the cigarettes and sell them in Indochina.

#### Officials Comment on Possibilities

42070085 Bangkok *THAI RAT in Thai* 18 Mar 89 p 11

[Text] After meeting with Mr Kamchon Sathirakun, the governor of the Bank of Thailand, and Mr Chawalit Thanachanan, the deputy governor, Mrs Khemvieng Phonsanao, the chairman of the Lao Foreign Trade Bank, said that the Thai Farmers Bank had invited her and her delegation to come and observe the bank's operations. They arrived on 14 March. The two banks have a close relationship with each other and have been working with each other for a long time.

They met with senior officials of the national bank in order to ask if the national bank will allow Thai commercial banks to invest in Laos. Laos will permit these banks to set up branches or offices in Laos or carry on joint operations with Laos. The governor of the Bank of Thailand said that Thailand's policy on this is very

flexible. The national bank is encouraging Thai commercial banks to invest in Laos. If Laos responds favorably, that will be very good, because Thailand and Laos are fraternal countries. There won't be any problems as far as documents are concerned.

Mrs Khemvieng said that Laos' policy is to encourage commercial banks from both the socialist-bloc and free-world countries to invest in Laos. That will be another form of economic cooperation. As for trade and relations with the Thai Farmers Bank, the Thai Farmers Bank has been providing help for a long time. In particular, it has helped train Lao officials.

Mr Sukthavi Thippasan, the deputy head of the Audit Department, Bank of Laos, who accompanied the Lao delegation, said that several Thai commercial banks, such as Bangkok Bank, the Thai Farmers Bank, the Krung Thai Bank, and the Thai Military Bank, are interested in opening branches in Laos. But before these banks can be given permission to open branches in Laos, the Bank of Laos will have to discuss this with the Bank of Thailand in order to see how this can be done and how the commercial banks can be supervised.

Mr Narong Sison, the senior deputy managing director of the Thai Farmers Bank, who took the Lao delegation to meet with BoT officials, said that during the meeting, the Lao officials asked about the matter of opening a trade account using the baht as the medium of exchange and ways to control this. As for the Thai Farmers Bank opening a branch in Laos, the bank will have to consider whether this will be worth the cost, particularly in view of the volume of trade.

#### **Alternate CC Member Attends Agricultural Co-op Meeting**

*Vientiane VIENTIANE MAI in Lao 30 Mar 89 p 1*

[Excerpt] In the morning of 29 March, in the conference room of the Vientiane Capital Administrative Committee's Agriculture, Forestry, Irrigation and Agricultural Cooperatives Service, a meeting was held to disseminate information on the transformation to agricultural cooperatives. This was under the chairmanship of Phimpha Thepkhamheuang, alternate member of the Central Committee [CC] and chief of that service. There were representatives from agricultural cooperatives in 7 districts and from 49 cooperatives in the capital.

The participants were told about the provisional regulations concerning land use for agricultural production, the mechanism for agricultural production contracts with cooperative member families. They were also given guidance on data collection for contract assignment and land management for agricultural cooperative member families. This was done to transform farmers step-by-step toward collective production on the basis of the new type of cooperative operation using the contract assignment system for cooperative member families.

Currently, Vientiane Capital has a total of 182 agricultural cooperatives of which only 49 are operating. The rest have closed down. [passage omitted]

#### **Ministers, Deputies, State Commission Members** *42070086e Bangkok MATICHON SUT SAPDA in Thai 26 Mar 89 p 24*

[Text] The Council of Ministers: Kaysone Phomvihane, prime minister; Nouhak Phoumsavan, first deputy prime minister; Phoumi Vongvichit, second deputy prime minister; Gen Khamtai Siphandon, third deputy prime minister and minister of defense; Phoun Sipaseut, fourth deputy prime minister and minister of foreign affairs; and Sali Vongkhamso, fifth deputy prime minister and minister of economics, planning, and finance.

Ministers attached to the Office of the Prime Minister: Maisouk Saisompheng, minister attached to the Office of the Prime Minister; Khambon Keokinnali, deputy minister; Vanthong Sengmuong, deputy minister; and Som-savat Lengsavat, deputy minister.

Presidential Office: Khampheng Vanhan.

Ministry of Foreign Affairs: Phoun Sipaseut, minister; Khamphai Bounpha, advisor to the minister; Thongsavath Khaikhamphiboun, first deputy minister; Thongloun Sisulit, second deputy minister; Khamta Duangthongla, third deputy minister; Sulivong Phasithidet, fourth deputy minister; and Souban Salithilath, fifth deputy minister.

Ministry of Defense: Gen Khamtai Siphandon, minister; Brig Gen Choummali Saiyas, first deputy minister; Osakan Thammatheva, second deputy minister; Somsak Saisongkham, third deputy minister; and Brig Gen Thonglai Kommasit, deputy head of the Political Department.

Ministry of Interior: Asang Laoli, acting minister; Khamphon Bukdakham, first deputy minister; Bounma Mithong, second deputy minister; and Siengsom Khounlavong, third deputy minister.

Ministry of Economics, Planning, and Finance: Sali Vongkhamso, minister; Budsabong Souvannavong, advisor; Yao Phonvantha, first deputy minister; Kham-sai Souphanouvong, second deputy minister; and Chan-phen, Bounnaphon, third deputy minister.

Ministry of Trade and International Economic Relations: Phao Bounnaphon, minister; Thongsoukhun Intavong, first deputy minister; Somphavan Inthavong, second deputy minister; Sompadit Volasan, third deputy minister; and Loi Chansavat, fourth deputy minister.



Ministry of Agriculture, Forestry, Irrigation, and Agricultural Cooperatives: Inkong Mahavong, minister; Khammoun Bounpha, first deputy minister; Khamsing Saiyakon, second deputy minister; Sitthaheng Latsaphon, third deputy minister; and Khamsen Vongnokeo, fourth deputy minister.

Ministry of Communications, Transportation, Posts, and Building: Udom Khattiya, minister; Buasi Silvansai, first deputy minister; Khamluang Saiyalat, second deputy minister; You Soumontha, third deputy minister; Bua Thong, fourth deputy minister; Thongsuk Saisangkhi, fifth deputy minister; Khamphon Phouyapaseut, sixth deputy minister; Seun Phetsaman, seventh deputy minister; and Vanthong Phommavongsa, eighth deputy minister.

Ministry of Education, Culture, and Sports: Lt Gen Saman Viyaket, minister; Thongsing Thammavong, first deputy minister; Bountiem Phitsamai, second deputy minister; Somsa Dechakhampou, third deputy minister; and Phieng Sisoulat, fourth deputy minister.

Ministry of Public Health and Public Welfare: Kambou Sounisai, minister; Vannalet Latsapho, first deputy minister; Phonmek Dalaloi, second deputy minister; and Fen Phengsiya, third deputy minister.

Ministry of Justice: Kou Souvannamethi, minister.

Ministry of Industry and Handicrafts: Soulivong Dalavong, minister; and Ki Thoummala deputy minister.

Ministry of Science and Technology: Souli Nanthavong, minister.

Members of the State Bank Committee: Mrs Pani Yathantou, chairman; Sisavat Sisan, vice chairman; Kham Tan, vice chairman; and Luan Sombounkhan, vice chairman.

Members of the State Committee on News Agencies, Newspapers, Radio, and Television: Son Khamvongsa, chairman; Thongsavat Hamani, vice chairman; Boundeng Vontsai, vice chairman; and Buaban Volakhoun, vice chairman.

Members of the Lao Committee for World Peace, Solidarity, and International Friendship: Singkhapo Sikhotchalamani, chairman; Hiem Phommachan, vice chairman; Saveng Chanthepha, vice chairman; and Mrs Khamsouk Vongvichit, vice chairman.

State Institute of Sociology: Sisana Sisen, chairman; Soumsavat Lengsavat, vice chairman; Unhian Phounsavat, vice chairman; Siloua Bounkham, vice chairman; and Mahakhamphan Vilachit, vice chairman.

Members of the Provincial Administrative Committee: Gen Sisavat Keobounphan, chairman; Thongmani Thiphommachan, vice chairman; Siho Banthavong, vice chairman; and Phimpha Thepkhamhoung, vice chairman.

#### Leaders Comment on Elections

42070086a Bangkok MATICHON in Thai  
27 Mar 89 pp 1, 21

[Excerpts] [Passage omitted] Mr Ruchivong Uapathiphan, a reporter for MATICHON, reported on the election of representatives to the Lao People's Supreme Council. He filed his report from Vientiane on 26 March. [passage omitted]

The voting area was blocked off and only voters and reporters were allowed in. But even though sections were blocked off so that voters could mark their ballots, many voters who were from the same village or area stood there in groups chatting. The atmosphere was very relaxed.

Mr Siha Bannavong, the deputy chairman of the Vientiane City Administrative Committee, said that most people in Vientiane voted in the early morning. It is thought that more than 50 percent voted before noon. The rest came in the afternoon. In maintaining security, few policemen were used. Youths and other volunteers monitored things to ensure that the voting was carried on in an orderly manner. But there were no security problems. At each polling place, there was a member of the village administrative committee to help manage things. Thus, there were no incidents. Vientiane City spent only 5 million kip to hold this election.

At Poll No 22, Zone 1, Vientiane City, which was located at the Hong Kanakharam Temple, Mr Sisomphon Lovanchai, age 74, the acting president of the Supreme People's Assembly and the person in charge of this election, arrived to cast his vote at 0730 hours. After voting, he talked with reporters about whether this election would lead to any changes. He said that this assembly will write a constitution. It will not be an ordinary assembly. There won't be any changes in the government. The people are electing representatives who will participate in writing the constitution. After the constitution has been written and promulgated, a new assembly will be elected.

A reporter asked whether the new assembly would put forward the name of a new prime minister. Mr Sisomphon said that the new assembly will have nothing to do with the election of the prime minister and government.

At 0800 hours at the Chiang Vea Poll, Poll No 3, Election Zone 1, Prince Souphanouvong, the president of the country, came and voted. He left immediately without granting an interview.

Mr Somsavat Lengsavat, the first deputy minister attached to the office of the Prime Minister and a member of the Election Committee, said that Prince Souphanouvong is very old and not in good health. He rarely goes anywhere. But this was an important day and people called on him to come vote. Thus, he came and voted.

At 1010 hours at the Pak Thang Temple, Poll No 5, Election Zone 1, Mr Kaysone Phomvihane, the prime minister of Laos, and Gen Sisavat Keobounphan, the chief of staff officers, Lao People's Army, arrived to cast their votes. After that, Mr Kaysone told reporters that there will not be any resignations or changes in the cabinet after the election.

"The people won't let us retire. Ask anyone you want. No one wants us to retire," said Mr Kaysone. He added that there is no truth to any of the rumors. The purpose of this election is to elect an assembly that will draft a constitution and various laws. It will probably take about a year to draft the constitution. People have commented on the fact that Laos does not have a constitution. But Laos is master of its own affairs. It is an independent country and is not controlled by anyone. The constitution can be copied from that of any country, but it must be suited to the situation in Laos.

Gen Sisavat said that this election will not lead to any political changes in Laos. The duty of this assembly will be to draft a constitution. After a constitution has been drafted, another election will be held. Changes in the political leadership, that is, changes in the leadership of the Lao People's Revolutionary Party, must be made at party congresses. The next congress will be held in about 2 years.

Mr Phoumi Vongvichit, the acting president, cast his vote at the Sisavat Temple, Election Poll 8, Zone 1. He said that there will not be any political changes in Laos. That is, there will not be any change in policy or personnel. There will not be any changes in the cabinet. The only duty of this assembly is to draft a constitution. [passage omitted]

**Correspondent, Official Comment on Election**  
42070086c Bangkok MATICHON in Thai  
26 Mar 89 pp 1, 20

[Excerpts] [Passage omitted] A MATICHON reporter reported from Vientiane, Laos, on the atmosphere there during the election of representatives to the People's Assembly. That was the first election held in Laos since the change in administration. [passage omitted]

Mr Bounkham Panyachit, age 42, the chairman of the Ban Khan Kham Administrative Committee, said that all 14 candidates had come to the village to introduce themselves. All 14 came together. Each one talked about his background and the things that he had accomplished.

Everyone was very interested in this election. During the two previous elections at the district and provincial levels, there were 1,077 eligible voters in the village and all of them voted. This time, it is expected that all eligible voters will exercise their right to vote. As for those unable to come vote, such as the elderly and nursing mothers, mobile committees will distribute ballots to these people so that they can vote.

In his capacity as a member of the National Election Committee, Mr Somsavat Lengsavat, the first deputy minister attached to the Office of the Prime Minister, said that the Supreme People's Assembly elected on 26 March will be responsible for drafting a constitution based on the lines of the LPRP [Lao People's Revolutionary Party]. It must also support the country's policies and budget and submit the name of the prime minister. The prime minister will then form a government and submit the names of the cabinet ministers to the People's Supreme Assembly for approval. Each year, the assembly will meet to consider the work and plans of the government.

A reporter asked whether a new prime minister will be appointed after this assembly takes office. Mr Somsavat said that we will have to wait and see. But Laos is led by the LPRP. Every organization is under the leadership of the party.

The reporter said that in the past, the party general secretary has always held the position of prime minister. Mr Somsavat said that that was correct. This regulation is still in effect. The reporter asked when the LPRP will hold its next congress to elect a new party leader and party general secretary. Mr Somsavat replied that a congress is held every 5 years. The last congress was held in 1986 and so the next one will be held 2 years from now. The reporter asked whether the new assembly will submit the name of the prime minister immediately after the election. Mr Somsavat said that the assembly has the authority to do this. But it must consider how the present administration is doing in governing the country and whether progress is being made. The present administration, which is headed by Prime Minister Kaysone, is doing a fine job in administering the country. It enjoys the trust of the people. The assembly must take this into consideration.

A news report stated that no changes are expected in the government leadership in the wake of this election. In particular, Mr Kaysone continues to enjoy widespread support. The rumors that Gen Khamtai Siphandon will be appointed prime minister are probably false.

The news report stated that the leaders of the Lao government feel that Mr Kaysone should continue serving as prime minister, because that is good for the political image of Laos. If Mr Kaysone does retire, the person who replaces him should be someone who has the ability to coordinate things with other countries. He

should be an all-round administrator who is suited to carrying on Laos' present development line. One such person is Gen Sisavat Keobounphan. [passage omitted]

**Defense Minister Khamtai Profiled**  
42070086b Bangkok MATICHON in Thai  
16 Mar 89 p 7

["People in the News" column: "Gen Khamtai Siphandon"]

[Text] Some people think Gen Khamtai Siphandon, the Lao minister of defense, will be appointed the next prime minister of Laos after Mr Kaysone Phommviharn steps down. As a result, there is much interest in his background. From sources whose identity cannot be revealed, we have obtained the following background information on Gen Khamtai.

**Took Staff Training in Thailand**

Gen Khamtai was born in Champassak Province. He is now 64 years old. His nickname is "Than." He now lives in Houa Bin.

As for his educational background, he attended a Lao-French school in Pakse and then attended school in Vientiane. After graduating, he entered government service, his highest position being that of postmaster in Pakse. But while working in Pakse, Gen Khamtai stole about 400,000 kip. He fled and joined the Pathet Lao liberation movement. That was in 1940.

About 1 year later, he left to attend school in Vietnam. After that, he joined the liberation army and became a senior figure in the Lao liberation movement.

On 1 January 1963, Gen Khamtai was made supreme commander of the the Lao People's Liberation Army. After the country was liberated on 2 December 1975, Gen Khamtai was appointed third deputy prime minister and minister of defense, which was in addition to his position as supreme commander of the People's Liberation Army.

A well-informed news source said that Gen Khamtai supports the neutral nationalist faction, which has received support from the military. The news source said that there is a conflict between Mr Kaysone and Gen Khamtai. It reached the point where Mr Kaysone tried to have Mr Saman Viyaket, the deputy defense minister, replace Gen Khamtai as minister of defense. But this conflict is just a conflict in views. Everyone has to act in accord with the party's resolutions.

This is a short biography of the man who may become the next prime minister of Laos. The news source said that Gen Khamtai once attended a staff officers course in Thailand. But he did not say in which year.

**Biographic Profiles of Lao Candidates**

42060050 Vientiane PASASON in Lao  
10, 14, 15 Mar 89

[The following information on Lao personalities has been extracted from PASASON published in Vientiane on the dates indicated]

[10 Mar 89 p 1]

[Text] Election District 13, Savannakhet Province, Mr Nouhak Phoumsavan, candidate No 1:

Date of Birth: 9 April 1914  
Place of birth: Ban Mai Village, Mukdahan District, Mukdahan Province  
Ethnic group: lowland Lao  
Position: member of the Politburo of the Party Central Committee, First Vice-Chairman of the Council of Ministers  
Responsibility: the Standing committee member, Council of Ministers  
Level of education: completed senior high school  
Level of expertise: finance and economics  
Level of political theory: completed the highest level  
Date of joining the revolution: 15 January 1946  
Date of joining the party: January 1952  
Past activities:

1946 - 1949: joined the national salvation movement and was appointed chairman of the committee for the Eastern Region, Minister of Economics

1954 -: appointed to the negotiating team of the Lao Patriotic Front in Vientiane

1955 -: elected to the Party Central Committee at the First Party Congress

1959: member of the National Assembly

1960 - 1962: on the negotiating team to set up the coalition government, was party secretary for the central region at Khangkhay (Xieng Khouang), led this region in the coalition government

1966 -: member of the standing committee for central echelon, responsible for organization, economics and finance

1972 -: elected to be a member of the Politburo of the Party Central Committee, in charge of economic activities

2 December 1975: appointed Deputy Prime Minister and Minister of Finance

1982 - 1986: elected to be a member of the Politburo of the Party Central Committee, First Vice-Chairman of the Council of Ministers, and member of the Council of Ministers' Standing Committee until the present

Recommended by: the Lao Front for National Construction Central Committee.

[10 Mar 89 p 3]

[Text] Election District 13, Savannakhet Province, Professor Vannalet Latsapho, candidate No 2



Date of birth: 17 October 1932  
Place of birth: Samakhisai District, Attopeu Province  
Ethnic group: lowland Lao  
Position: professor of medicine  
Responsibility: Deputy Minister of Public Health  
Level of education: beyond University level  
Level of expertise: professor of medicine  
Level of political theory: high level in Marxist-Leninist theory  
Date of joining the revolution: 2 December 1975  
Past activities:

1975: director of the Mahosot Hospital and professor at the medical school until the present

1980: appointed Deputy Minister of Public Health until the present

1983: studied high level Marxist-Leninist theory in Vietnam and thereafter conducted operations to suppress disease and expand the public health network throughout the country

1987: became a member of the Lao Front for National Construction Central Committee [LFNCCC]

1988: vice-chairman of the Lao-Soviet friendship Society Central Committee

[10 Mar 89 p 3]

[Text] Election District 13, Savannakhet Province, Dr Souli Nanthavong, Candidate No 3:

Date of birth: 3 December 1936  
Place of birth: Ban Sakheuntai, Sakheun Canton, Champhon District, Savannakhet Province  
Ethnic group: lowland Lao  
Position: member of the Lao Front for National Construction Central Committee, minister  
Responsibility: science - technology  
Level of education: beyond University level  
Level of expertise: scholar - professor  
Level of political theory: high level  
Date of joining the revolution: October 1960  
Date of joining the party: 28 December 1979  
Past activities:

1960 - 1967: student, member of the youth section of the Lao Patriotic Front in France

1967 - 1977: Chief responsible officer for the Lao Patriotic Front operation in France

1977 - 1980: mobilized students and intellectuals in Europe to return home, affiliated with the Ministry of Education, advisor to the Minister of Education

1980 - 1988: chairman of the commission for science and technology

1987 - to present: member of LFNCCC, and since 1988 has been Minister of Science and Technology

[10 Mar 89 p 3]

[Text] Election District 13, Savannakhet Province, Mr [Teacher] Phou Lasaphon, candidate No 4:

Date of Birth: 5 June 1934

Place of Birth: Ban Houai Sai, Houai Sai Canton, Champhon District, Savannakhet Province

Ethnic group: lowland Lao

Position: department head

Responsibility: secretary for Mr Phoumi Vongvichit

Level of education: University

Level of expertise: University level in geography and history

Date of joining the revolution: 2 December 1975

Past activities: Before the revolution he was an elementary teacher, a teacher in senior high school, a cadre with the Ministry of Education

2 December 1975 - June 1978: cultural attache' at the LPDR Embassy in France and also deputy permanent representative of the LPDR to UNESCO in France

1978 - 1980: research committee of the Ministry of Education

1980 - 1982: deputy chef de cabinet of the Ministry of Education, responsible for foreign relations

1982 - 1989: secretary for and co-worker with Mr Phoumi Vongvichit

[10 Mar 89 p 3]

[Text] Election District 13, Savannakhet Province, Mr Boualian Nammounti, candidate No 6:

Date of birth: 7 November 1936

Place of birth: Ban Nanokkhian, Chelamong Canton, Atsaphangthong District, Savannakhet Province

Ethnic group: lowland Lao

Position: deputy party secretary for the province

Responsibility: head of the provincial service for propaganda and training

Level of education: secondary school

Level of expertise: primary - information for newspapers

Level of political theory: intermediate

Date of joining the revolution: 7 May 1961

Date of joining the party: 12 February 1966

Past activities:

1961: studied newspaper reporting in the SRV

1962: was a reporter stationed in Khammouan Province

1963: worked in the newspaper service of central echelon, worked to mobilize and build political bases in Hmong areas of Kaseungkasao Canton, Sam Neua District, Houa Phan Province

1971: worked to build political bases in the rear areas of the enemy in Nanokkhian Canton, Champhon District, Savannakhet Province; responsible for building the party

1974: studied mid-level Marxist-Leninist theory for 2 years in Vietnam

1976: deputy head of the tourism department

1980: head of the department for newspapers and distribution of the service for propaganda and training commission of the party central committee

[11 Mar 89 p 3]

[Text] Election District 13, Savannakhet Province, Mr Thongthin Sipaseut, candidate No 7:

Date of birth: 1 January 1924  
Place of birth: Ban Saignaphoum, Saignaphoum Canton, Khanthabouli District, Savannakhet Province  
Ethnic group: lowland Lao  
Responsibility: Savannakhet Province electricity authority board of directors  
Level of education: 6 years of elementary school,  
Level of expertise: high in electrical machinery  
Date of joining the revolution: 2 December 1975  
Past activities:

1974 - 1975: head of the electrical service for Khammouan Province and Savannakhet Province

1975 -: appointed head of the electrical enterprise of Khammouan Province, then selected to represent the people of Khammouan Province and joined the nationwide SPC [Supreme People's Council] on 2 December 1975; was a member of the provincial administrative committee and head of the electrical [service] of Savannakhet Province

1980 -: responsible for the provincial construction enterprise

1983 -: member of the provincial construction service

1984 - to present: member of the board of directors of the provincial electrical [service]

[10 Mar 89 p 3]

[Text] Election District 13, Savannakhet Province, Maj Sanglai Somphat, candidate No 12:

Date of birth: July 1937  
Place of birth: Ban Cholvayang, Taloung Canton, Ta-oi District, Saravane Province  
Ethnic group: Lao Theung  
Rank: Major  
Responsibility: Chief, provincial public security  
Level of education: supplementary education class 7,  
Level of expertise: supplementary education mid-level in police work  
Level of political theory: primary  
Date of joining the revolution: 27 July 1957  
Date of joining the party: 27 March 1962  
Past Activities:

1959 - 1960: soldier, studied at Dong Hoi (Vietnam)

1960 - 1961: leader of a local guerrilla unit

1961 - 1963: had military training at the provincial level, was a military instructor at the Tha Khong base, member of the combat service of the provincial military staff

1975 - 1977: chief of staff, promoted to deputy battalion commander

1977 - 1980: studied supplementary education at the army school in Vieng Sai

1980 - 1982: was provincial military chief of staff

1982 - to present: deputy chief, provincial public security forces, elected twice to provincial party committee, chief, provincial public security forces

[10 Mar 89 p 4]

[Text] Election District 7, Sayaboury Province, Col Soutchai Thammasit, candidate No 1:

Date of birth: 9 September 1936  
Place of birth: Ban Sekanan, Sekong Canton, Samakhsai District, Attapeu Province  
Ethnic group: lowland Lao  
Rank: Colonel

Responsibility: head of the general department for training under the Ministry of Interior

Level of education: completed secondary education

Level of expertise: high in military and politics

Level of political theory: supplementary education high level

Date of joining the revolution: 12 May 1952

Date of joining the party: 20 August 1956

Past activities:

1952 - 1954: revolutionary activity at the local level

1954 - 1957: joined the army in the [Sam Neua] unified zone

1958 - 1959: studied in the SRV

1960 - 1963: deputy commander of an artillery unit

1964 - 1973: leader of the unit protecting the representatives of the Lao Patriotic Front in Vientiane

May 1973 - December 1979: political officer of the joint military units in Vientiane

2 December 1975 - 1989: Chief, cadre organization department, chief of the general department for training; for his accomplishments he has received the following titles and awards: hero of the nation; two independence medals, 1st class; one independence medal, 2nd class; one bravery medal, 3rd class; one labor medal, 3rd class; a number of foreign medals

[10 Mar 89 p 4]

[Text] Election District 2, Phong Saly Province, Maj Khamsan Khounsomheuang, candidate No 4:

Date of birth: 22 September 1942  
Place of birth: Ban Dong, Siangfa Canton, Boun Sai District, Phong Saly Province  
Ethnic group: P'u Noi  
Rank: Major

Responsibility: acting chief, Phong Saly Province public security forces

Level of education: 3 years of secondary education

Level of expertise: supplementary education high level in military science and police work

Level of political theory: high level

Date of joining the revolution: 25 August 1961

Date of joining the party: 12 February 1976

Past activities: performed clerical and administrative duties as squad and platoon leaders of his company; worked in the administrative office of the provincial

military chief of staff; deputy provincial police commander; acting chief of the provincial public security forces; elected to provincial party committee at 4th and 5th sessions

[10 Mar 89 p 4]

[Text] Election District 8, Houa Phan Province, Mr Thongsing Thammavong, Candidate No 1

Date of birth: 1944

Place of birth: Ban Son Neua, Vieng Thong District, Houa Phan Province

Ethnic group: lowland Lao

Position: member of the Party Central Committee

Responsibility: Minister of Education

Level of education: senior high school

Level of expertise: basic level in medicine, mid-level teacher

Level of political theory: high level in special system

Date of joining the revolution: 18 August 1959

Date of joining the party: 3 July 1966

Past activities:

1959: studied medicine in Vietnam

1960: physician assigned to the army

1961 - 1963: studied education in Vietnam

1964 - 1965: taught secondary school in Sam Neua

1966: head of the administrative committee of the secondary school at Xieng Kho

1971 - 1973: head of the administrative committee of the Houa Phan Province senior high school

1979: studied organization and inspection in Vietnam

1980 - 1981: head of the department of organization of the Ministry of Education

1982: studied theory under special system in Vietnam

[14 Mar 89 p 2]

[Text] Election District 4, Oudomsai Province, Mr Kham-sing Saignakon, candidate No 2:

Date of birth: 2 February 1938

Place of Birth: Ban Na-ou, Siang Canton, Khoun District, Xieng Khouang Province

Ethnic group: Phouan

Position: Deputy Minister

Responsibility: assigned to a ministry

Level of education: University

Specialized field: high-level Agriculturalist

Level of political theory: high

Date of joining the revolution: 20 March 1965

Date of joining the party: 1 February 1969

Past activities:

1965 - 1968: deputy director of the coalition store at Khangkhai

1968 - 1973: deputy head of the Xieng Khouang Province agricultural service

1974 - 1975: head of the administrative office of the Ministry of Economics and Planning of the coalition government in Vientiane

1975 - 1980: deputy head of the administrative office of the Ministry of Agriculture, Forestry, Irrigation and Agricultural Cooperatives

1980 - 1981: studied Marxist-Leninist theory in the German Democratic Republic

1981 - 1982: head of the administrative office of the Ministry of Agriculture, Forestry, Irrigation and Agricultural Cooperatives

1982 - 1989: Deputy Minister of Agriculture, Forestry, Irrigation and Agricultural Cooperatives

[14 Mar 89 p 3]

[Text] Election District 4, Oudomsai Province, Mr Phonsavan Louangkhamdeng, candidate No 5:

Date of birth: 1937

Place of birth: Ban Pangvot, Chom-ong Canton, Sai District, Oudomsai Province

Ethnic group: Khamu

Rank: Major

Responsibility: Deputy Commander of Provincial Armed Forces, head of the political office

Level of education: 3 years of secondary education

Level of political theory: intermediate

Date of joining the revolution: 18 August 1953

Date of joining the party: 14 June 1963

Past activities:

1953 - 1954: set up a secret base together with Vietnam

1955 - 1957: set up a base in Luang Prabang

1957 - 1961: set up bases in Beng, Sai and Namodistricts

1962 - 1964: chairman of Chom-ong Canton

1964 - 1967: specialized training in Vietnam

1967 - 1969: in Luang Prabang, Phong Saly and Oudomsai

1970 - 1983: attended mid-level and upper level schools, joined in siezing power in Savannakhet Province, and was assigned to Sam Neua, Vientiane and to mid-level and upper level combined [military] service schools

1984 - to present: performed duties in Oudomsai Province

[14 Mar 89 p 3]

[Text] Election District 4, Oudomsai Province, Mr Khamman Manisaignavong, candidate No 6:

Date of birth: 15 September 1933

Place of birth: Ban Phouket, Phoutan Canton, Namodistrict, Oudomsai Province

Ethnic group: Khamu

Position: member of the administrative committee of Oudomsai Province

Responsibility: chief of liaison for foreign affairs

Level of education: 10th class



Level of expertise: mid-level teacher  
Date of joining the revolution: 15 October 1954 Date of joining the party: 13 October 1963  
Past activities:  
1954: member of the regional military forces  
1957: studied education in the SRV  
1964: studied at the mid-level teachers' school at Nakhao, then was a cadre at the central echelon education office  
1966: Transferred to Oudomsai Province, head of the provincial education service  
1984 - to present: head of the provincial committee for economic activities involving foreign countries

[14 Mar 89 p 3]

[Text] Election District 4, Oudomsai Province, Mr Somchit Inthapangnasak, candidate No 7:

Date of birth: 1 January 1957 Place of birth: Ban Thanambeng, Neuang Houn Canton, Houn District, Oudomsai Province  
Ethnic group: lowland Lao  
Position: deputy administrator of a cooperative  
Responsibility: head of commercial activities  
Level of education: University  
Level of expertise: high level in agriculture  
Date of joining the revolution: 12 September 1978  
Past activities:  
1975 - 1978: studied at Luang Prabang Province Senior High School  
1978 - 1985: studied in the German Democratic Republic  
1985 - 1987: worked in the Ministry of Agriculture  
1987 - 1988: was a specialist in a cooperative  
1988 - to present: deputy administrator of a cooperative and head of commercial activities

[14 Mar 89 p 4]

[Text] Election District 14, Saravane Province, Mr Sithong Chansomphou, candidate No 1

Date of birth: 6 June 1952  
Place of birth: Ban Khongtai, Houakhong Canton, Khong District, Campasak Province  
Ethnic group: lowland Lao  
Position: central echelon secretary of the LPRYU  
Responsibility: responsible for the 14 April Enterprise  
Level of education: completed higher education  
Level of expertise: high  
Level of political theory: intermediate  
Date of joining the revolution: 28 January 1975  
Date of joining the party: 22 November 1978  
Past Activities:  
1971 - 1975: University student in law at Vientiane  
February to June 1975: vice-chairman of the committee for protests and for seizing power in the South

End of 1975: head of Agitprop unit, Sisattanak District, Vientiane Municipality; member of the Sisattanak District administrative committee; secretary of the district LPRYU; head of the district court and head of the district industrial and trade service

1983: member of the administrative committee for the political theory school of the Party Central committee

1988 - to present: central echelon secretary of the LPRYU and administrator of the 14 April enterprise

[14 Mar 89 p 4]

[Text] Election District 14, Saravane Province, Mr Bouakeum Simma, candidate No 2:

Date of birth: 10 April 1950  
Place of birth: Khong Sedone, Khong Sedone Canton, Khong Sedone District, Saravane Province  
Ethnic group: lowland Lao  
Responsibility: liaison unit for foreign economic relations  
Level of education: 3 years of senior high school  
Level of expertise: high  
Level of political theory: basic  
Date of joining the revolution: 30 June 1975  
Past activities:  
1968 - 1975: studied at the Institute for Law and Administration in Vientiane  
1976 - 1978: worked at the Foreign Ministry  
1978 - 1979: assigned as a diplomat to the Lao Embassy in Bangkok  
1980 - 1982: assigned as a diplomat to the Lao Embassy in Tokyo  
1982 - 1987: returned to work at the Foreign Ministry in the international organizations department  
1988 - 1989: transferred to work in Saravane Province - responsible for the province's economic activities involving foreign countries

[15 Mar 89 p 2]

[Text] Election District 14, Saravane Province, Mr Viangthong, candidate No 3:

Date of birth: 1 September 1951  
Place of birth: Ban Chanvong, Sapon Canton, Saravane District, Saravane Province  
Ethnic group: Katang  
Position: Saravane Province party committee member  
Responsibility: deputy head of the service for industry, trade, and foreign economic relations  
Level of education: secondary education  
Level of expertise: basic level, teacher  
Level of political theory: high level  
Date of joining the revolution: 4 January 1969  
Date of joining the party: 10 December 1975  
Past activities:  
1969 - 1971: guerrilla operating in the area of Sapon  
1972 - 1975: entered teacher training school

1976 - 1980: director of the supplementary education school for cadres at Sapon Canton  
1980 - 1981: assigned to the provincial education office

1982 -: assigned to provincial party and state inspection work

1983 - 1985: studied organization and inspection in Vietnam

1986 -: elected to membership in provincial party committee, secretary for the provincial LPRYU

1987 -: appointed special secretary for the area of Paktaphan on the Lao-Thai border

1988 -: reassigned to the provincial administrative office, responsible for building bases

1989 - to present: appointed deputy head of the service for industry, trade and foreign economic relations

Recommended by: the Lao Front for National Construction, Saravane Province.

[15 Mar 89 p 3]

[Text] Election District 12, Khammouan Province, Mr Souvannalat Saignavong, candidate No 1:

Date of birth: 1 January 1937

Place of birth: Ban Hinboun, Hinboun Canton, Hinboun District, Khammouan Province

Ethnic group: Phaogno

Position: Deputy Secretary-General of the Supreme People's Assembly

Responsibility: standing committee of the Supreme People's Assembly

Level of education: University

Level of expertise: high level - doctoral degree in mathematical economics

Level of political theory: high

Date of joining the revolution: 9 August 1960

Date of joining the party: 1 January 1980

Past activities:

1959 - 1975: helped build and lead the Lao student movement in France, was recommended by upper echelons in the liberated areas to lead in seizing power in Vientiane

1-2 December 1975: joined and was elected by the National Congress of People's Representatives to be Deputy Secretary-General of the Supreme People's Assembly

January 1986 -: was appointed member of the standing committee of the Supreme People's Assembly

1976 - 1989: was assigned to be vice-chairman and secretary-general of the Lao National Olympic Committee, was chairman of the Amateur Boxing Federation, was vice-chairman of the Lao-Japan Friendship Society, head of the commission to draft a constitution, head of the subcommission to draft election laws

Recommended by: the Lao Front for National Construction Central Committee.

[15 Mar 89 p 4]

[Text] Election District 12, Khammouan Province, Mr Sivilai Soukhalat, candidate No 5:

Date of birth: 5 March 1957

Place of birth: Ban Mouangsai, Phontiou Canton, Hinboun District, Khammouan Province

Ethnic group: lowland Lao

Position: head of a service

Responsibility: head of planning for the provincial agricultural service

Level of education: University

Level of expertise: high level

Date of joining the revolution: 15 September 1984

Past activities:

1970 - 1977: secondary and senior high school in Vientiane

1977 - 1983: studied at the Agricultural University of Hungary

1984 - to present: a cadre responsible for planning in the agricultural service of Khammouan Province. Because of his accomplishments he has received two commendations from the province.

Recommended by: the Lao Front for National Construction of Khammouan Province.

**Soulan on Leadership Changes; Tendencies Noted**  
*42070086d Bangkok MATICHON SUT SAPDA in Thai*  
26 Mar 89 pp 23-25

["Biographical File" column: "Khamtai Siphandon, the New Lao Leader, a Gentleman From Houa Bin"]

[Text] At a meeting of the Technical Committee To Solve the Ban Rom Klao Border Problem, which was held at Pathaya during the middle of March, Mr Niran Phanuphong, the Thai ambassador to Laos, talked with reporters about possible changes in the Lao leadership. He said that Laos will make some important changes in the government after the election of representatives to the People's Assembly on 26 March. He said that Mr Kaysone Phomvihane, the prime minister, will retire. He will be replaced by Gen Khamtai Siphandon, the minister of defense and third deputy prime minister. He also said that Gen Sisavat Keobounphan, the chief of staff officers, will be appointed minister of defense, and Brigadier General Thonglai Kommasit, the deputy head of the Political Department, will replace Gen Sisavat as chief of staff officers. However, Mr Niran added that no official announcement has been issued.

A diplomatic news source told MATICHON that rumors about this arose in Vientiane and when Ambassador Niran heard this, he began repeating these rumors instead of trying to confirm whether the rumors were true. When Mr Kaysone Phomvihane visited Thailand to attend the Phra That Phanom ceremony in Nakhon Phanom Province, it was quite evident that his health was poor. Even senior Lao leaders have confirmed this.

During the meeting with Thai officials at Pathaya, Mr Souban Salitthilat, the fifth deputy minister of foreign affairs, revealed that Lao officials would like to change the party's leadership. These rumors have been spread by Lao diplomatic news sources. The truth of these rumors cannot be confirmed.

A news source pointed out that Mr Kaysone could be appointed the president of Laos. At present, Mr Phoumi Vongvichit, the deputy president of the Council of Ministers, is serving as acting president. Someone must be found to replace Prince Souphanouvong, the president of the country, who is paralyzed.

Mr Souban told reporters that after the election on 26 March, a new assembly leader will be appointed, and a new government will be formed. Some people will be replaced, because some elderly people want to retire. This includes Mr Somphon Lovanchai, the current leader of the Lao People's Assembly, and Mr Phoumi Vongvichit, who is now very old. But he said that he could not say whether a new prime minister would be appointed, because it is the People's Assembly that will choose the prime minister.

Even though political observers aren't sure what changes will be made in the leadership of this socialist country, looking at the conflict among the country's leaders, the various factions can be distinguished based on their preferences or support for countries that have influence in Laos.

In the Politburo of the LPRP, the 11 members and 2 alternate members can be divided as follows:

The pro-Soviet faction includes Mr Kaysone Phomvihane, Gen Khamtai Siphandon, Mr Sali Vongkhamso, and the two alternate members, Mr Udom Khattiya and Brigadier Gen Chummali Saiyason.

The pro-Vietnam faction includes Mr Nouhak Phoumsavan, Gen Sisavat Keobounphan, Mr Maychantan Sengmany, and Lt Gen Saman Viyaket.

The pro-Chinese and neutralists are more in favor of improving relations with Thailand than are the other factions. This faction includes Prince Souphanouvong, Mr Phoumi Vongvichit, Mr Phoun Sipaseut, and Mr Sisomphon Lovanchai.

A news source said that even if there is a change of leadership, that does not indicate that there is a political conflict. To date, there has been no indication of any such conflict. It probably means that younger leaders are coming to the forefront. However, there have been rumors that Mr Kaysone Phomvihane has been trying to have Lt Gen Saman Viyaket, the deputy minister of defense, replace Gen Khamtai Siphandon as minister of defense. But so far, that has been the only indication of any conflict.

As for the man slated to become party general secretary and prime minister, that is, Gen Khamtai Siphandon, the No 5 man in the hierarchy from Hua Bin, Sam Neua Province, he was born in 1926 in Houa Kong, Champasak Province. He attended a Lao-French school in Pakse and then continued his studies in Vientiane. While serving as a government official in 1940, he went to northern Vietnam to study Marxism-Leninism. He also attended the staff officers college in Thailand.

Gen Khamtai's nickname is Than. His mother is deceased, but his father still lives in Houa Kong. He is a member of the party, the Lao Front for National Construction, and various committees. In 1956 he was appointed deputy party general secretary. During the period 1959-1963, he served as the supreme commander of the Lao People's Liberation Army. In 1975 he was appointed third vice president of the Council of Ministers and minister of defense. The next year he traveled to Vietnam together with an LPRP delegation in order to attend the Fourth CPV Congress. In 1988 he was [again] appointed minister of defense and third deputy prime minister.

Gen Khamtai was promoted to full general at the same time as Gen Sisavat Keobounphan. A news source said that even though Gen Khamtai is close to the Vietnamese, he is above all a nationalist and has always had the support of the military. His advancement shows that the military has influence on the government. He is also in better health than others at that level. It should be noted that in running for election by the People's Assembly, those ranked No 1-4 include Mr Kaysone, Prince Souphanouvong, and Mr Phoumi Vongvichit. Only Mr Nouhak Phoumsavan, a possible rival, is not running. As for Gen Sisavat, he is ranked No 8 in the Politburo and he does not enjoy the same prestige.

A diplomatic news source pointed out that even though Mr Kaysone Phomvihane and Gen Khamtai Siphandon come from different backgrounds, they share similar views on developing the country. Thus, even if there is a change in leadership, that probably won't affect the country's policies. Moreover, the world situation has changed. The Soviet Union, Vietnam, and Laos are all focusing their attention on national development. Laos will have to rely on itself more and more and cooperate more with its neighbors.

In view of the fact that Gen Khamtai is a soldier and has the backing of the military in Laos, Thailand can establish contact through the Thai military. This is a diplomatic technique that will have political, economic, and cultural effects. There shouldn't be any problems as far as Thailand is concerned.

The same news source said that Gen Khamtai is a nationalist. With respect to the Lao people, whoever can increase the country's prestige and put it on an equal footing with Thailand will have the support of the Lao people. Even though Laos fears Thailand, which is a



much larger country, and this puts pressure on them, viewed positively, the best thing for Laos would be to implement an independent policy. Nationalist feelings are nothing to worry about. If this is true, this will be good for both sides.

If Gen Khamtai does become prime minister, what effect will this have on Thailand? Many people have said that that won't have any effect on our relations. The atmosphere has improved greatly. In particular, 2d Lt Praphat Limbaphan, the deputy minister of interior, thinks that Laos is in the process of changing, which will lead to better relations with Thailand. Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, has said that that would be fine. The older leaders who have retired will still be "behind the stage." The younger leaders should be able to get along with us quite well.

Mr Suwit Sutthanukun, the secretary general of the National Security Council, said that this will be a good change. Gen Khamtai is a man who fought for Lao independence. He is a good leader who has broad support among the Lao people. And based on the information received, Gen Khamtai has a good grasp of the problems, and what is very important, he understands Thailand.

Thai leaders do not feel that the change in leadership in Laos will affect relations between our two countries. The need to develop our countries economically compels us to forge friendly relations with each other.

We will probably have to wait until 26 March, which is when the Lao People's Assembly will meet, to get a clearer picture of who will rise to the top in socialist Laos.

#### **Luang Prabang Party Chief on Development, Monarchy**

42070086f Bangkok MATICHON SUT SAPDA in Thai  
9 Apr 89 pp 54, 55

[Article by Suriwong Uapatiphan: "Where Is the King? Not Even a Shadow"]

[Excerpts] [Passage omitted] Mr Vongphet Saikueyachongtoua, the 50-year-old party chief of Luang Prabang Province, who is the equivalent of a provincial governor in Thailand, said that last year, about 1,000 tourists from England, Japan, Italy, and the United States visited Luang Prabang. That generated revenues of about 10 million kip, which is actually very little.

Even though Luang Prabang is well known as a place of ancient artifacts and beautiful scenery, there are still very few services available. For example, electricity is available for use only 7-8 hours a day in the morning and evening.

Mr Vongphet said that this year, Luang Prabang Province intends to focus on promoting tourism in order to increase the province's revenues and supplement farm and forest incomes. A provincial tourism committee has been formed in order to improve services, including hotels and roads. In addition to the two existing hotels, the province is talking with American investors about the possibility of opening a 300-room hotel. Thai investors have also come here to discuss various projects.

As for electricity, in 1992 lines will be installed from the Nam Ngum Dam in order to have electricity available for use 24 hours a day. And that is not all. The province has also stipulated that the secondary and post-secondary schools must include the English and Russian languages in the curriculum. People in every household will be mobilized to learn about providing services, including food services and the proper way to greet foreign guests. In short, the masses will be mobilized in accord with socialist methods. [passage omitted]

#### **Opening the Lao King's Palace, Finding the Trail**

"We feel that the king is a part of the history of the development of the Lao nation," said the chief of Luang Prabang Province. The present "ruler" of this ancient capital was talking about the king of former times. The government still maintains the old palace. It is now preserved as a museum. Mr Vongphet said that the history of that period must be preserved for future generations. We don't want to erase that period.

When we asked what had happened to King Sisavang Wattana, the last king of Laos, Mr Vongphet said that King Sisavang tried to stage a coup in cooperation with Gen Vang Pao and the right-wing reactionaries at the end of 1976. He was arrested and sent to Sam Neua for "re-education." He said that he doesn't know if he is still alive or not.

Mr Vongphet said that after liberation, the new government appointed the king as chief advisor to the president. But instead he formulated a plan to stage a coup. He urged students and instructors to stage a demonstration at the Ban Ho Klang school and demand that democracy be restored and that English be used as the second language. But the situation was quickly brought under control. After that, King Sisavang Wattana was sent to a re-education center in Hua Bin, Sam Neua Province. Thus, his palace is now empty.

Mr Khamlek Saiyasit, the director of the Luang Prabang museum, who looks after the king's old palace, said that after the new government came to power, he was appointed caretaker of the palace. He came here and was assigned this task by the king himself. After that, King Sisavang Wattana went to live in a private residence. That was before the attempted coup, after which he was sent to Sam Neua.

Mr Khamlek said that everything in the palace has been kept just as it was before, except for the things that the king took with him when he vacated the palace and some of the rugs, which had to be thrown away because of the insects.

In front of the palace, near a beautiful bed of white roses, is a large statue of King Sisavang Vong, the father of King Sisavang Wattana. Inside, the king's throne has been left in place in the ceremonial room. A large portrait of King Sisavang Wattana that was done by a Soviet artist and a portrait of the queen are still in place in the reception room.

In the old palace, which is now a museum, you can still see various gifts given by friendly countries. The bed and dressers are still in place in the bedroom. His office contains his desk and chairs. In the library is a copy of the Thai-language version of the Tripitok. His other books are still on the shelves. In the dining room are the table, chairs, and place settings.

"If he is still alive, he would be 81 or 82 years old," said Mr Khamlek when asked if King Sisavang Wattana is still alive. But he used the word "if."

"If he is still alive and his thinking has been reformed, he can return to Luang Prabang as an ordinary citizen," said Mr Vongphet, the provincial chief, who used the word "if," too.

Even though people have often asked about the fate of King Sisavang Wattana, the Lao government has never made any attempt to clear up this matter. Instead, it has chosen to let the matter fade away with time and become simply a period in Lao history.

#### **Bolikhamsai-Nong Khai Border Crossing Unconfirmed**

*Vientiane VIENTIANE MAI in Lao 24 Mar 89 p 1*

[Text] Nong Khai radio broadcast a report yesterday morning that around the beginning of this week, officials in Paksan District, Bolikhamsai Province, LPDR [Lao People's Democratic Republic] and officials from Bung Kan District, Nong Khai Province, Thailand will hold talks to find a way to open a border crossing point to facilitate exchanges of goods. The radio reported that initially, both sides have agreed to exchange goods on Mondays and Thursdays every week from 0800 to 1700 hours. Crossings by the public on both sides for visits may be done daily Monday through Friday. Goods to be exchanged by Paksan District will include forest and agricultural products. Goods from the Thai side will include agricultural tools and a quantity of necessary consumer goods. Nevertheless, news sources from the LPDR have not yet confirmed this matter in the least. VIENTIANE MAI has no news and information office in Bolikhamsai and so is completely unable to confirm this information.

#### **Vientiane Signs Economic, Cultural Pact With Phnom Penh**

*Vientiane VIENTIANE MAI in Lao 27 Mar 89 pp 1, 4*

[Text] An aide-memoire on Economic and Cultural Cooperation between Vientiane and Phnom Penh capitals for 1989 and future years was signed by both sides in the evening of 24 March in Vientiane. Kongpheng Soutavong, member of the Party standing committee and member of the Vientiane Capital Administrative Committee and He Kan, member of the Phnom Penh party standing committee and vice chairman of the Phnom Penh People's Revolutionary Committee signed.

In this aide-memoire, both sides unanimously agree that the special cooperative and friendly relationship between the two capitals is a form of political, economic, and socio-cultural cooperation in that they will exchange delegations to observe and study so as to learn lessons, take vacations, and take part in trade enterprises and other professions. This will be done on the basis of effective economic and social accountability of the most solid and profound nature with mutual benefit.

The signing ceremony for this aide-memoire was held in the presence of LPRP CC Politburo member Sisavat Keobounphan who is also Party Secretary and Chairman of Vientiane Capital's Administrative Committee. Other leading cadres and specialists involved also attended on both sides.

#### **Second Generation Leadership; Thai Origins**

*42070086g Bangkok SIAM RAT SAPDA WICHAN in Thai 9-15 Apr 89 pp 32, 33*

[Article by Noraniti Setthabut: "Lao-Style Socialism"]

[Excerpt] [Passage omitted] Most members of the second generation of leaders in Laos are people who were educated in Soviet-bloc countries, that is, eastern Europe. That represents a significant change in thinking. In the past, the leaders of Laos studied in Vietnam or France. It was said that you had to speak French well if you wanted to become a government official. Later on, during the period that Laos was close to the United States, those who had attended school in western Europe or who were "made in America," as it was called, and who spoke English fluently had a good chance to rise in the government. Now, I think that it is people who have attended school in the Soviet Union and eastern Europe who have the best chance of obtaining good positions.

Today, many bright young people have graduated from schools in Moscow. Many others have graduated from schools in East Germany. Many of the older leaders have observed activities in the Soviet Union and East European countries. And if you are involved in sports, you have to train there. However, those who graduated from France can still do all right. Dr Udet, the senior official from the Ministry of Education who welcomed us, is a

young man who liked the Marxist line. He earned his Ph.D in France after "liberation" and willingly returned to Laos and went to work within the new system.

Among the new generation of Lao leaders, what is interesting is that it is said that many of the Lao leaders have Thai origins or have Thai relatives. During lunch one day, the deputy minister of education, culture, and sports, Mr Somsri Kechakampou, was introduced as a Thai who had come from Ubon Ratchathani. He came to help liberate Laos and ended up marrying a Lao from

Attapeu in southern Laos. When we talked with this minister, he spoke very fondly of Thailand.

Another important person whom Lao officials said is of Thai ancestry is Lt Gen Saman Viyaket, the minister of education, culture, and sports. They said that this minister came from Ubon Ratchathani Province in Thailand and that his relatives still live there. We don't know if this is true or not. But what is important is that this general is a member of the Politburo of the LPRP [Lao People's Revolutionary Party], which is the political party in power in Laos. [passage omitted]



**Columnist Views SRV Withdrawal From Cambodia**

*Bangkok DAILY NEWS in Thai 8 Apr 89 p 2*

[‘As the World Turns’ Column by Trairat Sunthonpraphat: “Welcome to Peace in Indochina”]

[Excerpts] It can be considered a first-rate diplomatic triumph for General Chatchai Chunhavan’s government, especially his hotblooded young advisers, in having recommended the game plan to stop the war in Cambodia.

Hun Sen has also been active in establishing the supreme assembly in Cambodia to reach agreement on elections to be held. Supervising the withdrawal of Vietnamese troops will involve 600 troops from various countries. There are also reports that Hun Sen is ready to dissolve the Phnom Penh government by changing the national anthem and the flag in line with Sihanouk’s wishes while also dropping the country’s name which the Heng Samrin side calls the PRK.

One shouldn’t have to say that the Thai side is just ecstatic with the [withdrawal] announcement by the three Indochina countries because the policy of converting the battlefields into markets is close to a complete success. Vietnam’s timing in expediting its decision has been good; they don’t have to wait until Gorbachev’s and Deng Xiaoping’s tete-a-tete next month which would pressure Vietnam to withdraw. They just went ahead and announced it themselves and reaped the credit. The Vietnamese still believe that withdrawing their troops will rapidly put them in good graces with other countries which will be beneficial for economic development and trade. [passage omitted]

Investment and trade will flow into Thailand and then to Indochina and Thailand will be the center of all this, a strategic location for all sides. Businessmen will be happy and then we can hold trade talks and do business with Indochina with no holds barred and with no further doubts and suspicions.

When Indochina’s problems are solved, we Thais can then have close dealings with the USSR and Eastern Europe. One might even say that we can have real relationships with all communist countries with no real obstacles as we have faced in the past.

Let’s all welcome peace in Indochina with real pleasure. Thailand is the only country in this region to have felt the greatest impact from the war in Indochina. We have been implacable enemies and we have learned valuable lessons during the Indochina war, especially who is good and bad among those countries who are our great friends. Above all, we have come back to being friends with the Indochina countries during the Chatchai era.

**Opinion Makers Continue Comments on Indochina Policy**

**Columnist Criticizes U.S. Cambodia Stance**

*42070088 Bangkok DAILY NEWS in Thai  
17 Mar 89 p 2*

[“Around the World” column by Trairat Sunthoraphat: “The New Game in Indochina”]

[Excerpt] [Passage omitted] The United States is meddling too much in the Cambodian war. The United States does not seem to be sincere. In the past, it didn’t seem to care what happened and was not at all interested in helping to end the fighting in Cambodia. It left the problem to Thailand and China. But now that the war is drawing to a close, the United States wants to play a role. It’s position is one of helping Sihanouk and doing everything possible to thwart Vietnam and the Heng Samrin faction.

I don’t trust war merchants, who hope that there will be wars around the world so that they can sell their weapons. Those close to George Bush are also very close to arms dealers. One is John Tower. George Bush made a great effort to have him appointed secretary of defense. But the Senate rejected his nomination because of his past dealings with arms dealers.

As for Nicaragua, the Bush administration has announced that it will support the Contra rebels in their struggle against the government.

Wherever there are wars and serious conflicts, American weapons can be sold easily. If the world was at peace, who would buy these weapons? The arms dealers in the United States are well aware of this problem, because they have grown very rich from the wars.

Norodom Ranariddh, the son of Sihanouk, met with George Bush. That is another type of game. Thailand succeeded in getting Heng Samrin and Vietnam to discuss matters in Bangkok and that greatly displeased the United States, because it felt that Thailand had gone “out of bounds.”

I am worried that the United States will try to get Sihanouk to make demands that Vietnam and the Heng Samrin faction can’t accept. That would suit the United States, which wants Vietnam to collapse in retaliation for the defeat that the United States suffered in Vietnam. It wouldn’t mind if the war in Cambodia continued, which would prevent China and the Soviet Union from drawing closer together and prevent Vietnam and China from resolving their differences.

However, the war in Cambodia will probably end in the near future regardless of what games are played in Indochina. But if Thailand, China, and the Soviet Union make an effort to bring the war to an end, things will come to an end, although there could be even greater confusion.

#### **Editorial on Cambodia Stance After PM PRC Trip**

42070088 Bangkok SIAM RAT SAPDA WICHAN  
in Thai 26 Mar-1 Apr 89 p 2

[Editorial: "The Outcome of the Trip to China"]

[Excerpt] [Passage omitted] We believe that the previous Thai administration wanted peace in Cambodia. It wanted the various Cambodian factions to reach a compromise. But certain superpowers were major obstacle to stopping the fighting and getting Vietnam to withdraw its forces from Cambodia. Thus, the Thai government implemented a policy to solve the Cambodia problem in line with its position and capabilities. It had to wait for the time when the two superpowers, that is, China and the Soviet Union, would begin talking to each other. Even though that took time, the government had to accept the situation.

Some people have said that the previous policy of the Ministry of Foreign Affairs on solving the Cambodia problem was very sluggish and that it was aimed at enabling the foreign affairs minister to play a role in the matter directly. They have criticized that policy, or method of trying to solve the Cambodia problem, as being outdated. Today, Gen Chatchai has admitted that it is impossible for Thailand to play a role in solving the Cambodia problem based on the proposals made by his advisors. Thailand must wait until the superpowers have reached an agreement. We feel that his recent visit to China was a great success, because at the very least, it made the prime minister realize that there are limits to what Thailand can do—before we become like the frog in Aesop's fable, which acted so puffed up that it's stomach burst.

#### **Columnist on Sihanouk 'Ghost' Troops**

42070088 Bangkok BAN MUANG in Thai  
18 Mar 89 p 2

["Stop the World" column by Kamon: "China and the Cambodia Problem"]

[Excerpts] [Passage omitted] China and Prince Sihanouk do not share the same political ideals. China is a communist country, but Prince Sihanouk favors a democratic system. Prince Sihanouk is unsure about Chinese help and so he sent Prince Norodom Ranariddh, his son, to meet with Mr George Bush, the president of the United States, in Washington in order to ask for support.

It is believed that Mr Bush, the former head of the CIA, will take this opportunity to provide aid to Prince Sihanouk in order to gain influence in Cambodia once again.

If Prince Sihanouk gains power in Phnom Penh and creates a democracy there, that would represent a resounding defeat for communism. That would be a defeat for both the Chinese and Soviet communists. [passage omitted]

Mr Hun Sen, the prime minister of the PRK, disagrees, because that would give Prince Sihanouk the advantage. He has suggested forming a national council headed by Prince Sihanouk and drafting a constitution. After that, there could be a free general election. The faction that won the most votes would form a government. That would be better than forming a coalition government composed of factions with different political ideals.

Prince Sihanouk probably feels that China cannot put any pressure on the Hun Sen government and so he has formed a defense council. Prince Sihanouk is the council president, or supreme commander. The forces are composed of 21,000 troops loyal to Prince Sihanouk, 40,000 Khmer Rouge soldiers, and about 10,000 troops of Son Sann, which are stationed along the Thai-Cambodian border.

Prince Sihanouk intends to use these forces to seize control of Phnom Penh just like the rebel Afganistani Mujahadin groups are trying to seize Kabul, the capital of Afganistan. [passage omitted]

Even if Vietnam withdraws its forces, it will still have a 25-year treaty of friendship with the Phnom Penh government. Vietnam can send forces to provide help if the Phnom Penh government requests it to do so.

As for the large number of troops that Prince Sihanouk says are under his command, many of those may be "phantom" troops. That is, he may not actually have that many troops but is only publishing these numbers in order to obtain aid from China and the United States. During the period that the CIA supported the government of Gen Lon Nol, that is, during the period 1970 to 1975, the United States paid large sums of money to support his "phantom" troops, which made many of Lon Nol's generals very rich.

#### **Editorial on Chatchai PRC Trip**

42070088 Bangkok BAN MUANG in Thai  
16 Mar 89 p 2

[Editorial: "The Outcome of the Trip to China"]

[Excerpt] [Passage omitted] Thailand has clearly told the world that it is prepared to be friends with every country regardless of their political ideology. Many countries welcome Thailand's policy. This is clear from the fact

that we have established friendly relations with many countries. Thus, Thailand has the capability to solve the problems in Indochina even though we have been enemies for many years.

As for the prime minister's trip to China, the Thai people hope that China will support our policy of building peace in Cambodia and provide other help to enable Thailand to serve as the middleman in the negotiations. As for the meeting with Prince Sihanouk, Gen Chatchai Chunhavan probably spent long hours preparing for the talks with Sihanouk, who is very quick with his tongue. It must not be forgotten that the interests of Thailand and the Thai people must come first. Peace in Cambodia will strengthen our security and facilitate Thailand's progress.

#### **Asia-Pacific Center Indochina Focus**

42070088 Bangkok BAN MUANG in Thai  
19 Mar 89 p 2

["Stop the World" column by Kamon: "An Asia-Pacific Center Has Been Established in Bangkok"]

[Excerpt] [Passage omitted] The Asia-Pacific Center was established in Thailand through the initiative of Dr (Col) Phattana Phayakkhanithi, the former Thai ambassador to the Republic of Vietnam (South Vietnam during the time of the Nguyen Van Thieu administration).

At a meeting attended by those who participated in forming the center, Dr Phattana said that Thailand is in the center of the Asia-Pacific region. We should initiate social and economic projects with other countries in this region. This idea has received support from former ministers, former ambassadors, retired senior government officials, members of the mass media, university professors, businessmen, and people in every profession.

The center will gather data and information on trade and investment in the Asia-Pacific region and make evaluations. It will make recommendations and help businessmen and governments that want to trade with or invest in these countries. It will facilitate trade and investments in the Asia-Pacific countries through trade fairs, conferences, and seminars. It will facilitate talks on social and cultural matters between citizens in the Asia-Pacific countries. It will cooperate with private organizations in the Asia-Pacific region and facilitate the establishment of economic organizations in the Asia-Pacific region.

Dr Phattana said that the Asia-Pacific Center will be located in Bangkok at a place known as the "Intelligence Building."

Mr Vu Thien Phuc, the secretary to the Vietnamese ambassador, who attended the meeting on behalf of the Vietnamese ambassador, said that Vietnam has economic problems stemming from the war and from mis-handling of the economy. The last Party Congress passed a resolution calling for economic reform. This will be

accomplished by allowing foreign investors to invest in Vietnam. They will be given full investment rights and will retain ownership of the assets invested. To date, 1,163 groups of foreign investors have gone to Vietnam to gather data, and 45 have been given permission to invest in Vietnam. This includes such activities as oil drilling, light industry, and so on. More Thai businessmen have contacted Vietnam on trade matters. The value of trade increased from \$5 million in 1987 to \$30 million in 1988. Bangkok Bank is now preparing to open a branch in Vietnam. In short, Vietnam has opened the door to trade with other countries in this region. Also, Vietnam supports the establishment of the Asia-Pacific Center.

On behalf of the Lao ambassador, Mr Bounyang Saengchanthavong, the third secretary for trade and Laos' permanent representative to ESCAP [Economic and Social Commission for Asia and Pacific], said that after the administrative change in Laos 10 years ago, Laos began trading with countries throughout the world, mainly with Thailand. But it had few export goods because of the war. And it had no access to the sea. Laos is an underdeveloped country. Trade with Thailand increased in 1988, with the value of trade reaching about 2 billion baht. Laos' main export items include rattan, scrap iron, minerals, coffee, and forest products. It also sells electricity from the Nam Ngum Dam. Imports from Thailand include rice, electrical equipment, and various consumer goods. It is easy and convenient to trade with Thailand. Many investors from Thailand are inquiring about investing in Laos. Tourism is not yet convenient, because there is a shortage of hotels.

Mr Bounyang said that establishing the Asia-Pacific Center was a good idea. He said that Laos will be glad to cooperate and that he hopes this will be a success.

Dr Phattana Phayakkhanithi said that the center's temporary office is located in the offices of the Assets International Company Ltd, 34 Wiphawadi Rangsit Road, Bangkok Metropolitan 10900, telephone 2776130 or 2772594. The center's permanent office will be completed within 2 years.

#### **MP Views Foreign Policy Direction**

42070088 Bangkok THAI RAT in Thai 28 Mar 89 p 8

[Article by Chaturon Chotchasi, a Prachachon Party MP from Chumphon]

[Excerpts] [Passage omitted] Because of space limitations, I cannot discuss all of the country's important problems. We have chosen a new path and implemented a foreign policy independent of the United States. This has given people new hope. This cannot be separated from the "Ban Sai Thong" or "Ban Phitsanulok" advisors, all of whom are scholars with no trade interests. They advocate a very progressive policy, but some of the coalition parties are having trouble keeping up. This is particularly true of the minister of foreign affairs, who



continues to carry out his role like before even though the policy has changed. Given the fact that the minister has not resigned, there are some who wonder how sincere the government is regarding the initiatives taken and how adept the foreign affairs minister will be in convincing the world community.

As for our foreign policy toward Indochina, I think that we should establish new relations with our neighbors in this region based on mutual interests and sincerity toward one another, particularly Laos, Cambodia, Vietnam, and Burma. We enjoy good factors and can develop faster than these countries. But that should not be an obstacle. Instead, because we are in a better position, we should do what we can to help those who are less fortunate with a sense of equality and mutual respect. That will be mutually beneficial. We must also take steps to help our own people. As for education, we should teach students the truth about our neighbors and encourage students to study the languages of our neighbors, which will benefit us over the long term. [passage omitted]

#### Background on the Writer

He was born in Naphaya in Lang Suan District, Chumphon Province, on 19 April 1947. He is now 42 years old. He completed lower secondary school in the province and then lived at Wat Bowonniwet until he earned his degree in law from Thammasat University. While studying at Thammasat University, he was a student leader prior to the 14 October movement. He opposed Field Marshal Thanom Kittikhachon's decision to raise bus fares and engaged in campus political activities. After graduating, he worked as a lawyer, fulfilling his dream of helping the people. He worked for the Lawyers for Justice group, Thammarangsi office. He was a follower of Chetanarom Lungfak Na Songkhla, a senior lawyer whose aim in life was to help the laborers, farmers, and poor people. In 1976 he ran for office in his home province but lost to Mr Pramuan Kunlamat by just a few votes. In 1986 he won a seat in parliament as a member of the Democrat Party. But after the party split apart, he joined the Prachachon Party. He was reelected during the election last year.

#### Northeast MP Criticizes Indochina Policy

42070088 Bangkok MATICHON in Thai 20 Mar 89 p 3

[Article by Mr Suthi Phuwaphan, a Ruam Thai Party MP from Surin Province]

[Excerpts] Kap Choeng District in Surin Province, which borders Cambodia, lacks sovereignty. The district is filled with Cambodian soldiers. The people of Surin are experiencing serious problems. But the problems can't be discussed. The press has been muzzled. The refugees in the refugee camps have food and other daily necessities, but the people of Surin have very little to eat. What is going on! I have been concerned about this for a long

time and have sought an opportunity to talk about this. But I have been concerned about Thailand's image and felt it necessary to remain silent.

In the past, we fought the communists. Who is Pol Pot? He is a communist. And so why are we supporting him today? The Pol Pot forces have seized control of the border area. The refugee camps are rest areas for the soldiers. Whenever the Cambodians who are waging a struggle against the Heng Samrin regime want to rest, they come to the refugee center, where their families are waiting for them.

From the television, you can see throngs of children. And where are the refugee centers? They are in Thailand. Their military forces are in Thailand. Every day, armed men rob people and cause other problems for the people. If you tell the military, which is responsible for coordinating things, they ignore you. If you tell the government, the government isn't interested. They just tell you not to make a row, because this is the policy of senior officials.

I want these people out of the country, because they are not fighting for any ideology. They are just fighting for power.

Cambodia, Vietnam, and Laos were all ruled by the French imperialists. We sided with France in oppressing Indochina. Later on, the people of Indochina rose up and launched an armed struggle. We sat by idly and even supported the French imperialists. After France was defeated, we supported the Americans. The United States established military bases in Thailand in order to oppress the peoples of Cambodia, Vietnam, and Laos. We supported them. That was the policy of past governments. In the end, the government of Lon Nol collapsed. The Cambodian people waged a struggle for independence. [passage omitted]

Not one administration has had an independent policy. After following the ass of the United States for 10 years, we began following the ass of China. The present administration is following the same path as the previous administration. It has said nothing about sovereign power or national integrity.

Viewed superficially, the invitation to Hun Sen can be viewed as an attempt to get the four Cambodian factions to stop fighting, reach a compromise, and form a coalition government, with the international community providing guarantees. But the truth is, our diplomatic activities during the past 10 years.... I think that things should improve after the two communist superpowers, that is, the Soviet Union and China, begin negotiating with each other in May. Because if the Cambodian factions did not not receive support from these superpowers, they would not be able to wage war. Where could they get the weapons needed to wage war? Thus, the war is winding



down, and there will be peace in Indochina. But suddenly, the government wants to show its ability in bringing about a reconciliation. And so it invited Hun Sen. [passage omitted]

As for the government's policy, unless we expel these foreign troops from Thailand, I don't think that we will be able to solve the problems. Inviting Hun Sen to visit Thailand or engaging in trade with them is no guarantee. The same is true with respect to the timber issue. They don't have any timber to sell. Without peace, it will be impossible to turn this into a trading field. [passage omitted]

### **Editorial Counters ASEAN Disapproval of Trade With SRV**

*Bangkok BAN MUANG in Thai 9 Apr 89 p 2*

[Editorial: "Beware of Political Tricks"]

[Excerpts] Vietnam has announced that it will withdraw 50,000 troops sent in to help the Heng Samrin Government in Cambodia by this September. This announcement has attracted worldwide attention, especially in Thailand. [passage omitted]

While the Thai government and businessmen are agitating constantly to stop the fighting and start the investing and trading so that the economies of both the Cambodian and Vietnamese economies will grow, some ASEAN countries are expressly prohibiting their investors and businessmen from joining the Indochina trade following the announcement of the withdrawal. The reason is that it does not serve the international community's plans to pressure Vietnam into giving up totally in Cambodia and creating peace there.

Director of the Thai Chamber of Commerce Mr Prayun Thaleungsri has made preparations to lead Thai businessmen to hold trade talks with Vietnam. He said that it is not necessary to listen to these outsiders. Opening up trade with Vietnam is directly consistent with Thai government policy. It is correct because investing and trading must be done right away in order to grab the advantage. Thailand has had to suffer grievous disadvantage in Indochina and we shouldn't let this recur.

### **Cabinet Approves Expenditure Budget for 1990**

*BK0305013589 Bangkok BANGKOK POST in English 3 May 89 p 3*

[Text] The Cabinet yesterday approved a 335,000-million-baht expenditure budget for 1990 fiscal year with investment surging 51.4 percent from 53,585.9 million baht this year to 81,152.8 million baht.

Investment in science, technology, energy and environment surged by 444.2 percent from 615.1 million baht to 3,448.9 million baht.

Industry and mining also got a boost with investment shooting up by 322.7 percent from 118.9 million baht to 502.6 million baht. Investment expenditure for the Green Northeast project increased by 217 percent to 4,127 million baht.

Social services investment went up by 79.8 percent from 9,611 million baht to 17,278.7 million baht, and commerce and tourism from 210.8 million baht to 565 million baht, an increase of 68.3 percent.

Deputy government spokesman Phonthep Techaphai-bun said yesterday that of the total, 318,000 million baht was ordinary budget and the rest special.

The Government, he said, expected to collect 310,000 million baht in revenue, leaving a budget deficit of 25,000 million baht. Debt repayment amounted to 25,000 million baht.

Mr Phonthep said the Government continued to emphasise rural job creation, with its allocation being boosted by 38.7 percent to 3,260 million baht.

The budget, an increase of 17.7 percent over this year's 285,500 million baht, was aimed to sustain economic growth, enhance stability, accelerate technological potential and distribute income to the countryside, said the spokesman.

A breakdown of the 1989 budget by sector is as follows:

- Agriculture, 29,608.5 million baht (up 38.8 percent on this year's 21,327.6 million baht);
- Industry and Mining, 1,280 million baht (up 40.1 percent from 913.9 million baht);
- Transport and Communications, 20,749 million baht (up 40.1 percent from 14,810 million baht);
- Commerce and Tourism, 2,712.1 million baht (up 94.7 percent from 1,392.7 million baht);
- Science, Technology, Energy & Environment, 4,390 million baht (an increase of 247.2 percent from 1,264.4 million baht);
- Education, 61,267 million baht (up 25.4 percent from 48,843.4 million baht);
- Public Health, 16,660.1 million baht (up 33.8 percent from 12,447.9 million baht);
- Social Services, 20,900.5 million baht (up 67.9 percent from 12,447.6 million baht);
- Maintenance of National Security, 59,528.6 million baht (up 17.6 percent from 50,605.5 million baht);

- Maintenance of Internal Peace, 12,805 million baht (up 20.7 percent from 10,610.5 million baht);
- General Administration, 35,525 million baht (down 19.9 percent from 44,335.7 million baht);
- Debt Servicing, 69,574.2 million baht (up 4.6 percent from 66,500.8 million baht).

A breakdown of the budget by ministry is as follows:

- Central Fund, 28,561.4 million baht (down 27.6 percent from 39,473 million baht);
- PM's [Prime Minister's] Office, 3,290.9 million baht (up 60.3 percent from 2,052.6 million baht);
- Defence, 52,634.7 million baht (up 18.3 percent from 44,484.1 million baht);
- Finance, 73,462.7 million baht (up 7.5 percent from 68,318.6 million baht);
- Foreign Affairs, 1,505.7 million baht (up 20.5 percent from 1,249.7 million baht);
- Agriculture and Cooperatives, 26,879.6 million baht (up 37.2 percent from 19,591.8 million baht);
- Communications, 19,206.9 million baht (up 41.1 percent from 13,609.5 million);
- Commerce, 987.9 million baht (up 30.1 percent from 759.5 million baht);
- Interior, 38,020.7 million baht (up 39.3 percent from 27,301.9 million baht);
- Justice, 1,096.1 million baht (up 26.8 percent from 864.5 million baht);
- Science, 2,984.7 million baht (up 48 percent from 2,016.6 million baht);
- Education, 50,340.3 million baht (up 24.7 percent from 40,365 million baht);
- Public Health, 15,926 million baht (up 35.7 percent from 11,733 million baht);
- Industry, 1,453.9 million baht (up 9.2 percent from 1,330.9 million baht);
- University Affairs, 8,588 million baht (up 26.1 percent from 6,809.2 million baht);
- Independent Agencies, 1,184.5 million baht (up 35.9 percent from 871.4 million baht);
- State Enterprises, 8,584.9 million baht (up 95.8 percent from 4,383.7 million baht);
- Revolving Fund, 290.6 million baht (up 1.9 percent from 285 million baht).

## POLITICAL

### **Friendship Club With Iraq Inaugurated**

*BK2904020689 Hanoi VNA in English  
1520 GMT 28 Apr 89*

[Text] Hanoi VNA April 28—The Vietnam Union of Peace, Solidarity and Friendship Organizations [VUPSFO] and the Vietnam-Iraq Friendship Association [VIFA] held a ceremony here today to inaugurate a club of Vietnam-Iraq friendship.

Among those present at the inauguration were Do Quoc Sam, president of the VIFA, and Trinh Ngoc Thai, vice-president of the VUPSFO.

Iraqi Charge d'Affaires A.I.M. Taleb Ibrahim was also on hand.

Most of its members are those who have studied and worked in Iraq.

### **Organization, Cadre Work Need Improvement**

*42090229 Hanoi DAI DOAN KET in Vietnamese  
18-24 Mar 89 p 5*

[Article by Tran Dinh Van: "From Opportunity to Jeopardy"]

[Text] In reviewing 2 years of implementing Resolution 6 and discussing plans for the next several years, every local area demands a "renovation of organization work and especially cadre work."

This is a most important and decisive task in building socialism in our country but for many years and especially since total victory and liberation, it has failed to meet party requirements and after the Sixth Congress, a prolonged and unnecessary "changed but not yet new" situation has occurred in organization and cadre work.

A salient characteristic of the bureaucratic centralism mechanism is that no persons of real talent are needed, and this harmful characteristic is specifically reflected in a great many policies (increasing wages in a "granting raises as scheduled" style with outstanding and standard persons treated the same—evaluating individuals based not on their ability, quality or efficiency—routinely placing party member standards first when selecting individuals for posts, considering party member status a kind of diploma seldom based on profession, vocation and culture as the foremost standards—still relying on personal background and class element for promotion and selection for study in colleges and foreign countries—electing delegates, including those to the National Assembly, still in some cases as determined by upper echelons; and cadres with position and power still in a situation of going up but not down, in but not out, and when making mistakes, being transferred to another position or occasionally promoted, etc.

The backward policies related above have reproduced within the party and state apparatus an increasingly greater and unusual class of cadres who believe that "any job can be done" (but who have actually not fully completed a single one). Through the background and life history of these cadres, everyone must be surprised that while conducting many other missions, some holding several posts in excess of their ability, they still accept additional new positions when available in unwillingness to yield to others. They seek every means to work for the "choice morsels" because position is accompanied by bonuses even though that position is extremely low, for example a production unit chief in a village or hamlet who is better off than an agricultural cooperative member, does less work and is able to easily take a greater cut, especially in work credit time. Leadership cadres at the central and the local levels usually fail to recognize the demand for constant professional, vocational, and cultural study and improvement because there is never an examination, review or collective vote. In our arrangement of cadres according to this structural style, it is only necessary to sit in a relative position in the party to contentedly maintain additional positions in the government, mass organizations and front. It is truly easy to understand the protracted loss of solidarity in many party organizations because of competition for a "chair" that is extremely decisive to the personal advancement of a number of individuals. It is truly alarming when not a few cadres with extremely low professional and vocational standards know virtually nothing but still control fields, sectors, trades, blocks and especially cadre and organization work.

Cadres and party members with real talent are usually infatuated with seeking, creating, and inventing; but an extremely large number must still endure the leadership of cadres far inferior to them in professional abilities and even qualities: this has become a pattern and in reality, many years have proven that those lacking ability but holding high position and power thanks to a protective umbrella and structure are usually unwilling to endure lower level cadres with greater talent, will not submit or humiliate themselves, and occasionally must neutralize and seek every means to reject and even occasionally attack those who dare to answer back.

Countless cadres and party members with real talent are not employed in important positions or placed in correct locations; a number presently maintain heavy responsibilities but an uneasy concern of many cadres and the people is that their ethics and talents are still far from the responsibility they are shouldering. This is a terrible waste and extremely great loss with which no money, gold and silver or precious stones can compare; and is also the source of countless negativisms causing our people, endowed with diligence, intelligence and ability to withstand hardship, to continually work but still not have enough to eat, and causing our party with its absolute prestige among the people to decline in that prestige. In this great tragedy, our people surely must

experience another period in which those in the bureaucratic centralism mechanism continue to stubbornly cling to existence, only gradually retreat and continue to violently resist by relying on each other to grasp their "chairs" to the end.

Opportunity is also being lost because within our party and state apparatus, there are still many cadres with extremely limited talents and ethics still holding key positions in the central government as well as the local area. Each time an opportunity is lost, the jeopardy of a collapsed economy draws closer.

Fortunately, once again an opportunity for which we have long hoped for has come to our people. Several recent resolutions of the Political Bureau being institutionalized by specific policies have opened a way out for our economy. Our press has raised an issue about which everyone is extremely concerned: "If we miss this opportunity, where will our country go?"

The opportunity is at hand and whether we reach for it and fully utilize it or not or whether it is once again missed, which would be a crime to the people, is greatly dependent upon organization and cadre work, restricting to the highest level the placement of cadres in improper locations, and replacing them with talented and ethical cadres who are truly trusted and admired by the people and trusted and loved by their friends in the sector and local area in the positions for which they are qualified, a frequent wish and anxious hope of many of our cadres and people.

#### **Organization of Local Party Congresses Shows Renovation**

42090218a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 15 Mar 89 p 2

[Article by Pham Van Hung, vice chairman, Organizing Committee of the Municipal CPV Committee: "Renovation in Leadership and Guidance Over Convening Party Congresses at Two Levels"]

[Text] In the last few months, the municipality's party organization was holding party congresses at two levels: the basic and higher-than-basic levels. More than 2,000 basic party organizations in subwards, villages, enterprises, corporations, stores, hospitals, schools, and so on, so far basically completed the organization of congresses and now have begun to switch to party congresses at the precinct and district levels and to party organizations in different fields and sectors, both municipal and central. The party organizations of the 8th Precinct and Phu Nhuan District have moved ahead of others, for they already completed their own congresses.

The most outstanding characteristic of the basic- and district-level congresses as it was observed this time was a further renovation of the way the congresses were led and organized and the application of the viewpoint calling

*for considering the people the roots and adopting democratization and openness in the process of preparing for and conducting the congresses.* From the very beginning, the Standing Committee of the Municipal CPV Committee asserted that party committee echelons should consider party congresses a process starting with the preparatory work, continuing through their meeting, and lasting beyond their completion.

In that spirit, while the Municipal CPV Committee was conducting pilot projects in 8 basic party organizations—in 1 subward, 1 village, 2 enterprises, 1 store, 1 organ, 1 hospital, and 1 school—the party organizations of precincts and districts and of different fields and sectors, both municipal and central, also began to do their work by selecting and holding experimental congresses in 2-3 party bases each so as to have their own experience. The task consisted of not only gaining some experience from the experimental party bases but also holding preliminary reviews of every step taken and drawing experience on a timely basis. It was that task that helped the Municipal CPV Committee and party committee echelons to learn interesting things and to confirm and supplement their leadership over the congresses.

In addition to that task, a number of leaders—from the secretary and deputy secretary of the Municipal CPV Committee and members of the Standing Committee of the Municipal CPV Committee to members of precinct and district CPV committees—were assigned to directly lead a precinct, district, subward, village, or a production or business installation, which they had to help by getting to know its situation and at the same time taking part in the common leading task. The preparations for the work of the two-level congresses this time (to draft reports reviewing the implementation of the resolution adopted in the last term and to outline the directions for the task to be fulfilled in the coming term) were not the work of just a number of people, or the subcommittee in charge of drafting congress agenda, or the secretarial section of the party committee office, which involved the supervision or direct participation of just a few party committee members as what happened at the previous congresses, but rather the work of the entire *collective* of party committee echelons, cadres, and party members, with participation of a segment of the masses in the locality or unit concerned. Members of the Standing Committee in charge of the field of activity concerned were responsible for proposing a thesis to be presented to the key cadres in the field for discussion and suggesting the contents of the reports on the part which they had been in charge of. Afterwards, the reports which the party committee echelons found to be in need of clear and accurate explanations would be brought to seminars for discussion, with the participation of a number of objects appropriate for the topics to be discussed in the seminars. For instance, the Phu Nhuan District CPV Committee organized four seminars dealing with these topics: liberalization of the production-restricting mechanism, democratization, social policy, and building of



real political strength. The Dong A Textile Enterprise and the Textile Enterprise No 10 held seminars dealing with technical improvement, production of new lines of goods, improvement of product quality, and so on. Some seminars had the participation of representatives of some committees and sectors in the municipality, a number of science-technology cadres, or the working masses. Then the agenda section gathered the opinions expressed in the seminars, wrote them into reports, and submitted these reports to basic-level party chapters and party organizations for discussion; afterwards, the collective of party committee echelons at the basic level and in precincts and districts considered and reviewed them for the last time before submitting them to congresses for discussion and approval.

While preparing for congress agendas, representatives of the superior party committee echelons were assigned each to be in charge of leadership over the basic level or committees and sectors in order to gather in advance their opinions, instead of waiting until they would be officially invited by congresses to attend and to make generalized and unrealistic mobilization and leadership statements. In the case of the congresses of precinct and district party organizations, the Standing Committee of the Municipal CPV Committee and the Standing Committee of the Municipal People's Committee held work sessions with individual precincts and districts (like the 8th Precinct, the 5th Precinct, and so on) to contribute opinions and to resolve some complications and problems mostly having to do with the common direction and socioeconomic matters. It was obvious that these direct work sessions were helpful for precincts and districts to overcome many actual difficulties, particularly to affirm the direction and task for each of them to achieve as an important part of the above-mentioned reports.

The new aspect of the preparations this time was the fact that in some localities there was the participation of the party committee echelons in charge of the administration, or directors of the specialized sectors. The congress agendas included supplementary reports on socioeconomic matters or production-business by these echelons in charge of the administration. That was a good way to do the work, for it helped congresses to have a good amount of information and a basis for discussing and making more profound and accurate decisions about policies and resolutions, mostly about the socioeconomic part of the situation.

As the result of the new concept and new way of doing things as we mentioned them earlier, quite a few party organizations made more concise reports, instead of monotonous ones citing achievements in a lengthy manner, and keener reviews, with a more serious spirit of self-criticism and criticism, with a desire to look at the truth, to mention what had been done and what had not yet been done, to find the strong points of the locality or unit, to apply in a uniform manner the resolutions of the CPV Central Committee and Municipal CPV Committee to the congresses' resolutions, and mostly to define

the socioeconomic structure and clearer guidelines and tasks. In the past, the congress reports had usually made no distinction between the leading role and function of the party and those of the administration. At the congresses this time, many party committee echelons made a better distinction between the party and the administration because of their greater interest in and a better concept of the matter.

*Making preparations in regard to manpower* for elections of new party organization executive committees was the second most important matter after the agendas at the congresses. Such preparations for the congresses at two levels this time were facilitated by the fact that the basic-level party chapters and party organizations had just made a review of their members, including the party committee echelons, early in 1988, which was followed by a review and analysis of party member quality in the entire municipal party organization. This activity had a profound educational effect on party members and helped party committee echelons to know the quality of each and every party member.

About electing new executive committees, the Standing Committee of the Municipal CPV Committee issued guidelines to the effect that leadership should be closely combined with democratization and openness while making preparations in regard to manpower. On the one hand, it requested that we assume tight leadership in terms of standards, structure, views on observing and evaluating cadres, policies on using and placing cadres, and dissemination of information necessary for observing and evaluating cadres; on the other hand, we should broaden democratization and achieve openness in making preparations in regard to manpower; mobilize cadres, party members, and the masses for making contributions to selecting manpower, i.e., electing the right people to join the party committee echelons; and create a high degree of unity in this task.

According to the above-mentioned guidelines, at the party congresses at two levels this time, the party organization executive committees still planned to have new people to join the party committee echelons but did not reveal this information to the party bases and members. The main purpose was to communicate with and guide party members and the masses toward grasping the goals, needs, standards, and structure, and to get the votes of confidence of party members and the masses through their *secret ballots*. Because the gathering of the votes of confidence was different for different objects, the way to gather opinions (i.e., the contents of questionnaires) was also different.

At the congresses at the higher-than-basic, precinct, and district level, precinct and district party committees also gathered the votes of confidence first in their work field, among the key leading cadres of precincts and districts, and then among delegates who would attend precinct and district party organization congresses; they gathered votes of confidence as introduction of people to party

organization executive committees and the votes that expressed confidence in the secretaries and key leading officials of precinct and district party committees.

On the basis of gathering and analyzing the votes of confidence and comparing them with their previous expectations, party organization executive committees discussed and made a list containing *more* names than the number of people the executive committees would elect, who were people considered eligible by the established standards and appropriate for the necessary structure and having a large number of votes of confidence, or considered eligible and potentially acceptable in spite of a smaller number of votes of confidence.

In leadership, there should be close, harmonious, and smooth application, and combination of standards and structure. In some localities, because of a need to improve quality, some party members, cadres, and delegates excessively stressed satisfying the standards first. The point to be made very clear was that those people who would join the party committee echelons had to satisfy the standards, which were very important because they would involve the quality of party committee echelons, but the structure was to be the right one necessary for ensuring total leadership of these echelons; and this structure had to satisfy the standards, too. That was the unity between standards and structure. Therefore, in order to ensure this harmonious unity, we had to carry out planning for cadres through a process of preparing and placing cadres, and providing them with advanced training; otherwise, this would lead to a situation of "coercion." With the above-mentioned work method, from thousands of basic-level party organization congresses and the congresses of the 8th Precinct and Phu Nhuan District party organizations, the results obtained were very good: The congresses selected and elected new executive committees with typically representative people from the party organization, who enjoyed confidence and mostly the solidarity, agreement, and great support of a large majority of delegates, party members, and the masses in the localities and units concerned. There were large numbers of votes in most congress elections, with very few localities having to vote for a second time. In the 8th Precinct, 35 people were elected to become precinct party committee members from a list of 52 nominated candidates, with 38 people getting more than half of the votes. In Phu Nhuan District, 40 out of 47 candidates in the list got more than half of the votes, although the number of official committee members to be selected was only 35. This achievement resulted from the fact that the preparations in regard to manpower for the congresses had been carried out in a meticulous, democratic, and open manner.

Not all basic-level party organizations have done as good a job as we mentioned above in terms of preparing for the congresses. We should say that quite a few localities did not live up to the needs required of them by this job.

However, the results obtained and the initial experiences mentioned above are very precious and significant for the party organization of our municipality.

These lessons are valuable because they open up the opportunity to consolidate and build party organizations at basic and higher levels in 2 years, 1989 and 1990. Some party committee members have begun to lead party members and the masses toward implementing the congresses' resolutions and have already made initial progress. The common atmosphere that prevails after the congresses have been held shows that a large majority of party members and the masses have felt that a positive movement has been taking place in the efforts, both central and local, to renovate our concept and action. This movement reflects a number of open mechanisms and policies adopted in many fields. A number of serious policies and postcongress programs of action are becoming a part of the daily reality at the basic level. With the results obtained from the basic-level party organization congresses and with the success of the party congresses of the 8th Precinct and Phu Nhuan District, the encouraging political atmosphere that prevails after these congresses have been held is creating a favorable precondition for successfully holding party congresses at the higher-than-basic level in March and April and for successfully fulfilling the socioeconomic tasks of the municipality in 1989.

#### Youth Union Needs Real Renovation of Its Activities

42090218b Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 15 Mar 89 p 1

[Article by H.M.: "Seminar on 'Building the Youth Union and Youth Organizations in the New Situation'—The Youth Union Needs Real Renovation of Its Organizing and Operating System"]

[Text] On 2 days, 24 and 25 March 1989, the Communist Youth Union (CYU) chapter of the municipality held a seminar on "Building the Youth Union and Youth Organizations in the New Situation." Nearly 200 CYU cadres throughout the municipality took part in it. The majority of opinions expressed in the seminar pointed to the need for having a real renovation of both its organizing system and its operating formula so as to make itself a real youth organization. Its activities should be those of the masses and be diversified. Some participants proposed that its chapters and groups of chapters be dissolved because they are only an intermediary level and their activities have brought about only negligible results. Because of the fact that the CYU organizations in subwards currently are very weak, a plan has to be considered for the purpose of putting them into CYU clusters at the regional level. In short, it would not be advisable to maintain the situation in which there are CYU chapters everywhere but actually no real youth movement exists.

About party leadership over the CYU, many participants believed that the basic-level party chapters still pay little attention to CYU activities and that, in some localities, CYU leadership tends to be concerned only about little things like prohibiting one thing and permitting another thing.

Others thought that to renovate CYU activities would require, first of all and basically, taking appropriate measures to improve the quality of CYU members and expelling those members who lack quality and are not devoted to CYU ideals.

We have learned that the Municipal CYU Chapter will continue to hold similar seminars in all of its bases in the municipality.

**Progress of Literary Renovation Examined**  
42090236a Hanoi VAN NGHE in Vietnamese  
No 10, 11 May 89 pp 6-7

[Article by Mai Ngu: "A Difficult Journey"]

[Excerpt] [Passage omitted] For 2 years, especially since the Sixth Party Congress, great movements have occurred in our entire society. First of all is the spiritual and ideological movement. The entire country has entered the training period of the democratization campaign, "using the people as the supporting base" or "the people knowing, the people discussing, the people doing, and the people inspecting," etc. Mass communications agencies, with a series of "anti-negativism" articles attacking bureaucratism, loss of democracy, and violation of the socialist legal system, have exposed many slipshod and shameful incidents in local areas and even the central government. All have followed the starting gear of the renovation campaign. As for us, how have literary circles been renovated?

If one states that the work of all Vietnamese writers has long followed only an illustrative method with no one budging toward anything else and everyone waiting until now to undergo "renovation," what will the results of the literary revolution amount to other than zero? And if one states that the age group from 50 or 60 and up belong to the category of conservatism and delay, who will be used as the "renovation" force? Could it be all the new writers entering the profession? Who is the backbone of renovation? Who will wholeheartedly support the task of renovation and who is in the faction blocking renovation? On what must the differentiation and classification be based? Generally speaking, this is easy but when aimed specifically at a particular generation and individual, it is an extremist and idealistic task. I am very much in agreement with the view in the article "Arts and Letters Require Continual Renovation" (VAN NGHE No 46, 12 Nov 1988) that, "It is necessary to clearly recognize that the primary hindrance to the present renovation movement is the tendency toward conservatism and delay." This inhibiting and destructive inclination is not located entirely within one generation or one specific

individual. It is found in anyone or at any moment when renovation begins to collide with one's own individual self. If an individual at anytime is not alert, it is a natural reaction to resist renovation, and also if their renovation motives lack clarity and brightness.

The weekly newspaper VAN NGHE during 1987 and the beginning of 1988, especially since receiving encouragement and stimulation from the party and a great many readers, has clearly achieved extremely fine development with rhythmic and melodious steps on the renovation road. On the press front, it has contributed strong voices in the "anti-negativism" campaign. In the final analysis however, it has not fulfilled its function as the dissertation organ of the Vietnam Writers Association. As the Chief Editor of VAN NGHE once declared in an interview by the magazine SONG HUONG (May-June 1988): VAN NGHE wants to ring the bell and participate in resolving the problems of society. This is a shift in direction from a literary newspaper fending for the problems of Vietnamese writers to a social and political newspaper. Afterwards, to defend it, many people introduced the argument that "the newspaper VAN NGHE belongs to the Writers Association but also to society and the public" in order to state that no matter what, the Writers Association itself (represented by the Association Secretariat) has no right to handle it in the organizational aspect. In our day, not one newspaper is the "common property of society," including the bourgeoisie newspapers. A newspaper must be the voice of its founding organization or individual. Previously, the newspaper NGAY NAY of the Self-Reliant Literary Group spoke for every social and art viewpoint of that group and was under its administration. Then, the TIEU THUYET THU BAY [Saturday Novel] and PHO THONG BAN NGUYET SAN [Semimonthly General] of the New People Group only accepted writers in agreement with its viewpoint. It is the same now with SAIGON GIAI PHONG of the Ho Chi Minh City Party Committee and TUOI TRE of the Ho Chi Minh City Communist Youth Union as the voices of those party and union organizations. The newspaper VAN NGHE previously, and for not a short period of time, was the voice of a number of individuals with the same viewpoint that had been declined like every other viewpoint had often been declined, including that of the Vietnam Writers Association, and was not subject to publishing the official records of the Association Secretariat, or the announcements on every literary activity of the association and much foreign data not of the same viewpoint. Thus, how could it be considered the "common property" of society? How can a newspaper be an outdoor market with anyone selling merchandise who wants to? VAN NGHE actually must be the official voice of the Vietnam Writers Association but it publishes another different type of voice, rebelling against and intimidating the other. Truly unusual, possibly only in this "renovation" period could such an abnormality arise. Does



this mean that when it has worn the "mark" of renovation on its chest that it can do anything, including resisting the organization that gave it birth. And can it continue to assume its guise?

This is truly unfortunate if in looking back over previous months and years, that the newspaper has accomplished countless beneficial things for both writers and readers. It resembles a train moving straight along that is suddenly derailed with startled and confused passengers in the middle of a deserted plain.

However, the friction between "new" and the "old," democracy and anarchy, solidarity and detachment during recent years has also had many things worthy of reflection and has not been unhelpful although it has caused upheavals and many doubts among the readers. Increasingly, it clearly weakens and reveals the strong and weak points of the literary circle, and the distinct division between the genuine and the false, and between the literary revolution and the general revolution. The meeting of the Vietnam Writers Association headquarters in September of last year shattered every mumble and obscurity. Such a meeting cannot help but have bidirectional reactions: support or opposition. Up to now, I have also taken the liberty not to endorse the view that, "many artists and writers are concerned and worried over the renovation movement and blockages have recently arisen." (VAN NGHE, No 46, 12 Nov 88) It is necessary to understand: Who is blocking? Blocking what? The corrections made by the recent meeting of the Vietnam Writers Association headquarters were necessary even if late. Why must there be concern when we corrected the deviations of the movement? We made the corrections ourselves, the writers, and not due to orders from any upper echelon or a whistle blown by someone. Thus, it is the writers who have "saved themselves" and rescued the movement from being derailed from the literary railroad. Imagine, without those prompt corrections, where would our train of revolutionary literature have gone, and to what remote stop would it have drifted?

Thus, what is there to worry about? Even before, in such a restrictive situation, in the status of a writer, many of the legitimate writers among us continued to renovate themselves and at that time needed only one inconsistent word or sentence for the author to be buffeted from all sides. Comparing now with before, the situation is extremely favorable for creativity. Renovation in literature intrinsically accompanies the authenticity of literature and of writers seeking themselves. Writing is done precisely in keeping with one's own nature and with all one's heart and soul, one's own talent and labor, and all of one's living viewpoints and ability. There is no uproar, boasting, deception, borrowing or servility, and the life of the writer and his works are one. This indulgently develops differing tendencies, intonations and personalities; all of which are accepted, live together under the same literary roof, and are extremely beneficial to the people, with the exception of things that are false.

Looking back down the literary track over the past several decades, this journey filled with difficulties and trials has given us sufficient basis to believe that after each incident of friction to find the truth, fine factors will appear to stimulate the overall development and that of each Vietnamese writer.

During this Year of the Snake (1989), with the affectionate concern of the party, the Fourth Congress of Vietnamese Writers will be held in an atmosphere of openness, straightforwardness and solidarity, opening a new phase for Vietnamese literature.

**Localities Abuse Public Contribution Campaign**  
42090236b Hanoi QUAN DOI NHAN DAN  
in Vietnamese 22 Apr 89 pp 1, 4

[Article by Pham Minh Chau: "The State and the People Working Together, A Fine Slogan but It Should Not Be Abused"]

[Text] Several years ago when the slogan "The state and the people working together" appeared, many places considered it a fine innovation and many localities actually applied it with extremely good results to unravel many difficulties and to truly benefit both the people and the state; especially regarding the needs and requirements of the people such as travel, study and medical treatment, and the requirements of daily living and culture for which the state lacked sufficient conditions to answer completely and the people had the capability to contribute. Clearly under such conditions, the slogan "The state and the people working together" was popular and publicly supported. Unfortunately however, this slogan is being excessively abused in many locations and considered as an all-purpose prescription for creating a source of revenue for all local activities.

On an assignment in District X, I exchanged views on building the national defense fund with a district party committee secretary who stated that the district has used the slogan "The state and the people working together" to decide that each laborer must annually contribute 2 kilograms of "self-defense paddy." Such a contribution would be rational and surely the people would have no difficulties preventing them from doing so. However, a careful investigation and visit to all sectors of the local area revealed that every sector was "enjoying" no small contributions from the people. Even the headquarters of the district party committee, a prestigious two-story traditional building, was constructed in accordance with the innovation "The state and the people working together." That's not all, this slogan was reserved for the district echelon to apply anywhere. What about the province and village? Everywhere there are individual "innovations" consistent with the conditions of each echelon. As we learned, in the village and subwards, this slogan is much more "briskly" applied: training militia and the people contribute in repairing schools and building dispensaries with "The state and the people working together" until International Women's Day on 8 March



and the anniversary of the Ho Chi Minh Communist Youth Union on 26 March, the people were relied upon for a few materials to motivate the movement. The contribution formula is also extremely varied, with money, in-kind and labor man-day contributions all possible and for this very reason, the potential of every class of the people is thoroughly exploited.

If an analysis was made to see which types of contribution were rational and necessary, I believe unanimity would be difficult but in principle, it is necessary to respect the original objective of the initiative "The state and the people working together." This is to say that the contribution truly benefits the people, at the same time insuring the principle of the state and the people contributing together, and carefully calculating the capabilities of the people to contribute.

At the present time in not a few local areas in many fields of activity, there is dependence only on the contribution of the people with virtually no revenue from the local area or state. Thus, the people must contribute for everything and when summarized, the contribution of each family and each individual is not small. Moreover, half the money that the people contribute is not closely managed and is easily misappropriated, wasted and ineffectively used.

Our people at the present time, even though some families have trades, labor strength and production and business organization knowledge so have a fair standard of living, are nearly all extremely poor and destitute. Not a few families have complained about present contribution funds and public loans to assist local areas afflicted by storms and floods and funds regularly following the school repair cycle in accordance with the slogan "The state and the people working together." "The state and the people working together" is a fine slogan benefiting socialist construction but should not be arbitrarily abused to become a burden to the people.

## MILITARY

### Problems With Supply of Uniforms

42090223a Hanoi QUAN DOI NHAN DAN  
in Vietnamese 6 Mar 89 p 2

[Interview with Colonel Tran Thinh Tan, head of the Military Equipment Department, Rear Services General Department: "Quality of Military Equipment - A Measure of the Responsibility of the Army's Rear Services Sector: In 1989, Stabilize and Improve the Quality of Clothing and Ensure Enough Supply Exactly on Time"]

[Excerpt] [QUAN DOI NHAN DAN] Please tell us about guaranteeing military equipment for the troops recently, what is being done and the restraints in this.

[Colonel Tran Thinh Tan] As you know, in the background of the country's overall difficulties, production has not met the needs of society in recent years, but the

party and state are still giving priority to guaranteeing a large quantity of cloth, millions of meters, for the army per regulation norms. With the direct guidance of the Rear Services General Department and the mutual assistance of friendly organizations and with the effort of the military equipment sector, we have dealt with immediate needs according to the army mission with many objectives: training combat readiness and the combat of both domestic troops and units performing the international obligation, regular and mobilized reserve forces, vocational and special operations units, and schools, national defense workers and civil servants, productive labor units, and servicemen whose military obligation has expired.

Each soldier in the service for 3 years is issued the equivalent of from 45 to 50 meters of cloth. In addition to the amount issued according to system standards, millions of products consisting of clothing, bedding, footwear, socks, hats, knapsacks, etc., are also added each year over and above the plan to strengthen combat and resist tears and the cold.

But on review, we see not only no satisfaction but rather still many annoyances because the result achieved has not guaranteed the uniformity of a modern regular army. It has only been concerned about clothing in the ordinary sense of living but also has not improved and still has definite shortcomings.

[QUAN DOI NHAN DAN] We have learned that the army's clothing is guaranteed by the state's textile enterprises according to plan norms. How is this supply? There is the view that our military equipment is both poor in quality and is off schedule. Why?

[Colonel Tran Thinh Tan] According to the Council for Ministers' directive, annually the Ministry of Light Industry ensures the supply of hundreds of millions of meters of cloth for national defense and assigns a number of textile enterprises such as the Lien Phuong, Dong A, Phuoc Long, and Viet Thang enterprises the responsibility for production in support of the army. Even though virtually all the raw material and supplies must be imported with foreign currency, the Ministry of Light Industry seeks every way to ensure it.

During the 2 years of 1987 and 1988, however, the Military Equipment Department only received 70 to 75 percent of the plan norm but could not guarantee according to the schedule that had been contracted. Because the textile enterprises were also assuming the production plan for export while being assigned norms in support of the national defense plan, they could not satisfy the army's orders placed for goods.

On the other hand, at the beginning of the year there was cloth but a shortage of dyestuffs. Once the dyeing was finished the enterprises got the goods all at the end of the year and the price had risen too quickly and too high, four to five times that at the beginning of the year. To

receive cloth at this point in time required that there be a huge amount of money, billions of dong. Even though the financial organization gave all-out assistance, we still didn't have enough money, thus leading to the situation wherein when there is cloth there is not enough money and when there is money there is no cloth to receive.

Once the cloth is received it still must be made into the finished product. This too is a complicated job. Now, in addition to the army's ready-made clothing enterprises, we also must contract orders with over 100 ready-made clothing enterprises and sewing stations throughout the country for the troops. Consequently, there are also times and places where it is hard to avoid running into difficulties, so the stipulated plan is not achieved completely.

As a result, there are times when we have to issue late or out of season, especially military clothing for cadres. By the fourth quarter of 1988, we had issued a full 100 percent to forces up front and on islands and to units assigned in friendly countries. But cadres on rear lines are still owed between 5 and 10 percent of their officer uniforms and some military equipment such as cadres' raincoats and leather shoes which are in short supply. The Ministry of Light Industry assigned leather and footwear enterprises to produce 100,000 pairs for the army annually, but due to the leather shortage and to their shifting the shoe production line to making hats and shoes under contract abroad, for several years recently these enterprises have not been able to guarantee leather shoes for the army, specifically in 1988 when there was none. The troops' canvas shoes are made from a type of rubber that is poor in quality, including even a type mixed with dirt. So they are poor quality and rapidly fall apart (the state saves main rubber products for export).

[QUAN DOI NHAN DAN] Could you let us know more clearly about the quality of other types of military equipment.

[Colonel Tran Thinh Tan] It also must be acknowledged that in the hundreds of millions of products the hundreds of ready-made clothing enterprises and sewing stations produce and which pass through very many links, there still are flaws that affect product quality even though we have used many inspection methods. Therefore, ensuring the quality of military equipment is a problem that is rising in seriousness and is our sector's regular concern and measure of responsibility.

There are many opinions on the military equipment we produce nowadays compared to some military equipment countries provided in assistance during the war of resistance against America such as canvas shoes from China and gaberdine uniforms and leather shoes from the Soviet Union. Naturally, suits of clothes from large continents are higher in quality than our soldiers' 3024 cloth presently and the leather shoes the Soviet Union provides in assistance are better than those we produce. Comparison in order to strive to rise up is essential, but we cannot depart from our own real capabilities presently. If our 1958-1962

military equipment is compared with the present, there obviously has been definite progress in terms of amount, types, style, appearance, and quality. Almost all the officers' uniforms in recent years have been made with synthetic blended fabrics instead of cotton. The quality is good, it dries quickly and does not wrinkle, and cadres prefer it more than khaki which was previously provided in assistance. For soldiers, the quality of clothing has also become more durable than before but is not equal to that of the officers. Therefore, the Ministry of National Defense has given permission to increase the amount to make up for quality for priority objectives on line 1 and the islands and performing international duties.

To ensure quality, we have the product quality control technical system of periodically and spontaneously going to enterprises to inspect the quality of any item before acceptance, but there are also times when everything cannot be covered because the installation has contracted too broadly or the amount of goods is too large with over millions of products. To avoid negligence, we have united with the directors of the enterprises to accept a pledge entered into the text of the contract: "The production installation must guarantee that quality reaches the hands of the consumer." Thus, we are ready to fully exchange inferior military equipment which does not meet specifications that any unit or individual receives.

However, there also still are some bad goods and sometimes even these slip into parcels of goods to be issued to the troops. Investigating the reason we see that firstly, a number of production installations lack stringency in business and chase volume and pure profit with little concern for quality; some places use professional operations to substitute bad goods and some places cut back on thread and cloth. Secondly, the inspector does not fulfill responsibilities, is sketchy and incomplete, arbitrary and, in exceptional cases, there are instances of misappropriation. Thirdly, there are still negative manifestations in management, distribution, transportation and delivery, etc. A number of unscrupulous people, including cadres and employees of the military equipment sector, take advantage of weaknesses to steal, substitute bad goods, and draw out good ones. We have detected and administered discipline and some cases have been prosecuted under the law. This does not take into account the user who does not carefully safeguard and maintain goods and lets them rapidly degrade and get damaged and lost.

**Head of Combat Training Department Interviewed**  
42090208 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 15 Mar 89 p 2

[Interview of Maj. Gen. Nguyen Huu Doa, head of the Combat Training Department: "To Improve Quality of Training in 1989, Fully Understand the Viewpoint of Practicality, Train in Accordance With the Fighting Methods of Vietnamese Military Art"]

[Text] In accordance with the schedule stipulated in the training orders of the Chief of the General Staff, issued

on 17 January 1989, since March of this year the entire army has begun a new training year based on a plan curriculum approved by the General Staff. Maj. Gen. Nguyen Huu Doa, head of the Combat Training Department of the General Staff, informed us about some of the principal aspects of that task, especially the renovations in training guidance that must be widely understood. The following are the details of what we learned during a useful exchange with the department head.

To continue to improve the effectiveness of the development of our armed forces so that they can become increasingly strong, along the lines of "valuing quality and not quantity"—few but elite—in peacetime military training is always one of the central tasks and an extremely important task in improving quality and ensuring readiness to fight to defend the peace of the homeland, so that the nation can concentrate on building socialism.

As a component of the forces of society, all activities of our army must always be integrally bound to the nation's actual situation. Therefore, the 1989 training task is also determined by the special characteristics of that actual situation. There are basic advantages: the Military Commission of the Party Central Committee has affirmed that training is a very important mission, all echelons are determined to concentrate their guidance and direction, and much experience has been accumulated over many years of training. But there are also severe difficulties: at the same time training is carried out there are also many other no-less-important tasks which must be carried out, such as urgently stabilizing organization and equipment, completing plans for camps and supply depots, meticulously drafting policies and regulations, increasing production in order to improve living standards, and participating in economic work to contribute to national development. Furthermore, with regard to material bases, funds, fuel, and equipment and study aids to serve training, there are many limitations, which demands severe economizing and rational use, dynamism and creativity, and efforts on the part of both the upper and lower echelons.

Clearly realizing those special characteristics in order to be steadfast and bring into play intelligence and a sense of responsibility, develop the advantages, overcome the difficulties, and stabilize morale, no matter what the circumstances or difficulties, it is still necessary to ensure the fulfillment of the training mission. There will be no other way to maintain and improve combat strength and combat readiness than overcome difficulties so that training can be of high quality.

With regard to guidance, command, and direction, as well as organizing implementation at the basic level, it is necessary to grasp the basic missions and requirements of this year's training year, in accordance with the training orders that have been issued. First of all, it is necessary to fully understand the concept of "basic, practical, and solid" training for all categories: main-force troops, local troops, militia and self-defense forces,

and reserve troops. "Basic, practical, and solid" is both a mission and a guiding thought of the General Staff throughout the process of training all four categories. Of those requirements, "practicality" must be stressed and fully understood.

"Practicality," based on actual viewpoints, requires that training be truly effective. For example, production and commerce should be truly profitable and not a matter of "false profits and real losses." That guiding thought must be studied and unanimity attained in its application: training must conform to the type of combat. Training must conform to the operational plan and fighting method, and it is necessary to pay special attention in training to conform to the separate missions of each unit in each of the different areas of operation. Units share in common offensive tactics and defensive tactics, the concepts of bravery and persistence, and the stratagems of deep infiltration, deep penetration, surrounding, dividing, boomerang penetration, and secrecy and surprise, but the specific fighting methods are not the same for all units in all areas of operation. "Practicality" in training also demands harmony and close coordination with the factors of our army's organization and equipment in general and of each armed forces unit, combat arm, or specialized sector in particular, with a spirit of training with what is at hand or with what equipment is available, according to our present and future capabilities. We cannot mechanically apply training methods by calculating the intensity of firepower of tanks, artillery, airplanes, warships, etc.—giving massive fire support with inexhaustible sources of supply—when in fact our resources including vehicles, artillery, ammunition, POL, and even roads on which to move technical equipment—are insufficient.

In order to attain real effectiveness it is also necessary to grasp the basic aspects of training very firmly, especially the combat actions and stratagems of individuals and units; the techniques of driving vehicles, steering ships, piloting aircraft, firing guns and artillery; the use of weapons and equipment, unit actions, and physical conditioning, so that they can become skills of soldiers, on the basis of knowing how to use them skilfully, resourcefully, and flexibly in all combat contingencies and doing a good job of maintaining equipment. Only with good basic training can there be a basis on which to ensure strong stability. Experience shows that if, in training, a little attention is given to everything for the sake of comprehensiveness, but with limited time and many contents, the result is superficial teaching and study, as if one were sightseeing. Without truly careful training and much thorough practice, in order to attain familiarity and perfection and create skill, there can be no solid ability. Training will become a matter of studying the new and forgetting the old and saying much but doing little. There will arise an adversity toward actual practice, and ordinarily, if solid basic ability is not attained real results cannot be brought about. Because of the profound significance of that guidance thought in the renovation process, during the opening phase of this



year's training mission the training orders of the General Staff clearly affirmed that "basic, practical, and solid" training has become a unified, complete entity that must be extensively propagandized and applied profoundly and continually in order to build units in accordance with five strong, comprehensive requirements.

In addition to training the regular units so that they can fulfill their requirements of combat readiness to defend our territory, it is also necessary to concentrate on and make adequate investment in, depending on the capabilities of national defense and the mobilization of local potential, professional training regarding the mobilization of reserve troops for the units and organs of the military regions, the armed forces branches, the combat arms, regular units, and the provinces, municipalities, precincts, and districts, which are involved with mobilization work. It is necessary to grasp the contents, standards, and methods of the mobilization of reserve troops, in order to work together in implementing the national policy of "civilian in peacetime, military in wartime." That is a training mission of extremely great significance, not only with regard to the present microcosm but also the long-range strategic macrocosm, which is not only a requirement of national defense but also a demand of economic construction. The more the scope of the regular troops is restricted, the more it is necessary to expand, and train very well, the reserve troops and the organizations of the administrative apparatus, in order to mobilize forces properly when necessary. That is a matter which is in nature a principle based on the actual experience of many countries that have been recast into a strategy. According to the guiding spirit of the General Staff, this year the entire army will carry out the truly good training of that category so that it can be put onto the right tract permanently, for the succeeding training years.

In order to fulfill and perfect the training mission in accordance with the above-mentioned guiding thought, the key link, one of decisive importance, is still training to improve the ability of the command cadres and professional organs at all levels. The question of whether the training of cadres is of high quality or low quality, much or little, directly affects the quality of the training of troops, so the quality of cadre training is still the key matter which demands diligence and searching on the part of all of us. We cannot be satisfied with the statistical reports about the number of people studying, the number of classes that have been held, the number of classroom hours, and the number of materials that have been studied, but must enter deeply into effectiveness and make the results of fulfilling missions by each person and each echelon, according to the following four requirements, as the yardstick for making evaluations: the correct fulfillment of responsibility of one's echelon, according to one's current position; second, there must be sufficient ability and professional skills in training troops under one's command; third, the management of troops, both people and material bases, both quantity and quality, and the maintenance of close control and

strict discipline in accordance with orders, by means of organizational measures accompanied by democratic discussions, teaching troops self-enlightenment, and a good example set by oneself; fourth, having all-out love for the masses, being concerned with improving the troops' material and spiritual lives, ensuring that troops receive the full standards, eat and dress well, have wholesome recreation, and limit to the minimum violations of ordinary discipline and serious disciplinary violations, and maintain harmony between cadres and enlisted men at all levels and military-civilian solidarity.

With regard to the principal measures for improving quality, during the conversation the department head wanted to say more about the matter. He said, "In order to attain good quality in anything, including training, first of all political education and ideological leadership to heighten the self-enlightened spirit of the cadres and enlisted men so that they can, on their own, affirm determination, are always basic measures that must be carried out well and not be regarded lightly. Especially, the cadres directly in charge must carry out in a lively manner the party-political work in training." He also said that this year there were renovations in the guidance measures.

The improvement of training quality demands the true understanding of practical viewpoints and training in the fighting methods of the military art of Vietnam. Those fighting methods must manifest the color of Vietnam's traditional stratagem of "using half but achieving double." The soldiers and people of Vietnam have utilized those fighting methods in people's war to defend the nation, on our territory and under the leadership of the party. Those viewpoints must be applied throughout the training process, with regard to the contents and to all categories. Remoteness from the actualities of Vietnam, or mixing up viewpoints to create a miscellany will cause the training work not to have practical significance.

With regard to organization and methods it is necessary to apply the principles that training must be truly practical, the training field must be like the battlefield, and the upper echelon must directly teach the lower echelon. When training units, cadres must personally assign objectives, and personally give demonstrations to illustrate theories, speak and perform accurately, transform abstract concepts into specific images, and apply the principle of direct observation in training so that the men can easily understand, easily remember, and easily carry out. When they learn that an enlisted man has committed an error, cadres must also give demonstrations to repair, correct, or win over by means of specific acts and not empty theories, or standing there and urging, exhorting, or making vague appeals. It is necessary to arrange time, training fields, study aid models, and material training facilities so that the troops can train primarily on the drill fields, stress much repetition, speak little but do much, and go easy on theory and heavy on practice. We must bring into play mental



concentration in order to be creative, and combine it with action so that training can be effective. We must absolutely not have enlisted men and students memorize theory, which would be like watery rice gruel, or repeat principles like a parrot, be as repetitive as a machine, or only act when so directed, which results in a loss of the dynamic and creative thought of soldiers of a revolutionary army.

If that is to be accomplished, there must be a central focus and emphasis. Depending on the category and mission, we must concentrate on doing a thorough job so that training contents can be covered well, and tests must be conducted to strictly evaluate results. Because there are many tasks and little time, many different training contents, and limited material conditions, we cannot fragment training to satisfy all requirements. We must concentrate on thoroughness in each step and subject. However, we should not dally and stretch things out, but positively and urgently complete each content in correct accordance with the plan curriculum that has been approved by the upper echelon.

#### **Fairness of Military Draft Law Discussed**

42090209 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 16 Mar 89 p 2

[Article by Dinh Huyen: "Ensure the Fairness and Strictness of the Military Draft Law"]

[Text] The National Assembly passed the Military Draft Law on 30 December 1981, and it went into effect on 10 January 1982 after being promulgated by the Council of State. Now, 7 years later, although various things have been accomplished, there are still many things that have not been done. There have even been many violations. The public feels that "this law is a symbol of national law and must be adhered to strictly."

#### **An Alarming Situation**

Article 3 of this law states that "all male citizens, regardless of their ethnic background, social class, religious beliefs, profession, or place of residence, have an obligation to serve in the People's Army of Vietnam." Exceptions are "people whom the laws or people's courts have denied the privilege of serving in the people's armed forces" and "prisoners." However, during the 7 years that this law has been in effect, only a very small percentage of our citizens have been recruited into the military as compared with the number of people in this age group. This leads to the question: Who are the targets of recruitment? During two conferences on military recruitment that were organized by QUAN DOI NHAN DAN and local military organizations and that were held in Ho Chi Minh City and Tien Giang Province, many cadres and people said that most of those recruited were poor people with little education. Article 12 stipulates that "males 18 to 27 years old can be recruited into the military." But in recent years, people 18 to 21 years old have been the main recruitment targets. There are five

targets that can be deferred, and "disabled people, people who have psychological disorders or who suffer from a chronic disease as stipulated by the minister of public health and the minister of defense are exempt from military service." Those eligible for a deferment include those who are not well enough to fulfill their military obligation, single laborers who must support other family members who cannot work, the only remaining son in the family of a war hero, those who are doing research on national-level scientific projects, and people attending school.

Because the law stipulates rather broad categories regarding those who can be exempted or deferred, because the age span for recruitment is very narrow, and because of the lack of specific documents based on the law, there are many loopholes that have allowed negative phenomena to occur. Attention should be given to the fifth target, that is, students at regular schools and expanded regular schools. Some people have tried to gain temporary entry into schools in order to avoid the draft. In the end, most of those drafted are poor people of little influence.

And that is not all. During the conferences in Ho Chi Minh City and Tien Giang Province, a number of people said that there are three types of recruitment: recruitment of students, recruitment for the military, and recruitment for the civil service. In previous years, in recruiting students, almost all of the candidates applying for admission to higher military schools were people who had failed the college entrance examination. Of course, the higher schools aren't on the same level as the colleges. But the point here is that they can't select talented people. As for recruitment into the military, most of those recruited are poor and uneducated people. As for the recruitment of national defense workers and civil servants, the emphasis is usually placed on policies and cultural standards. Little attention is given to occupations. This has led to a situation in which the standards of the people are not in line with their functions and tasks. Thus, most of our military personnel, from officers and technical personnel to privates and workers and civil servants, are poor people. But more importantly, they have limited skills and talents.

This is the reality and regardless of how widespread this is, it must be given attention, because this is contrary to the nature of socialism and it violates the principle of fairness and the demand for high quality as stipulated in the Military Draft Law.

#### **The Tien Giang Model, a Way To Solve the Problem**

During the discussions, some people said that "it isn't that higher echelons aren't aware of this situation. They are well aware of this, but they haven't taken steps to solve the problem." Some people said that "everything must be done by the people. The contracts in agriculture rely on suggestions by the people. The five economic elements also stem from the people. The same is true of

the military. The strength of the commanders is their ability to discover new factors in accord with the laws and wishes of the people." For several years now, there has been discussion about Long An, Kien Giang, and Tien Giang establishing joint economic and national defense detachments. There has occasionally been news about this, but then this has been forgotten. The reason for this isn't clear. Recently, QUAN DOI NHAN DAN sent a number of cadres and reporters to Long An and Tien Giang to study things there. From observing things, talking with cadres from the provincial to the primary levels, and meeting with soldiers who are working and studying in the fields and on the drill grounds, it is clear to us that Tien Giang has taken the right approach. It's approach is in accord with the Military Draft Law, the wishes of the people, and economic and national defense interests. It will produce results both now and in the future.

Tien Giang has not set separate standards for recruiting youths into the economic and national defense units. It has used the roll of citizens ages 18 to 21 in order to call people for physical examinations and political and moral evaluations and issued orders to recruit the required number of youths into regular army units. There is no distinction between organizing send-off ceremonies and implementing the rear area policies with respect to these two targets. The only difference is the number entering the regular army controlled by the Ministry of Defense and the number entering the joint economic-national defense units managed and trained by the local party committees and authorities and the local educational organizations and military organizations and the production laborers who have relied on themselves and built the units. In some periods, these units have been called "economic troops." But these are not "imperial troops." They are "troops without number." Thus, the word "troops" has disappeared. But from organization to operations, nothing has changed.

The Military Requirement Law is regarded as a "national defense law." It is a symbol of the national law. The law states that "males have an obligation to serve in the military." Tien Giang has asked: "Why hasn't this been implemented?" Why are some drafted while others aren't? If difficulties are encountered, a way must be found to overcome the difficulties. The state doesn't have the capabilities to manage everything and so the localities must take responsibility. Fairness is inherent in the Military Draft Law. Tien Giang has found a way to ensure fairness, and this has pleased the people.

With respect to economic and national defense interests, the law states that people must serve in the military for 3 years. Each youth undergoes 1 year of military training. The other 2 years are spent doing economic labor and building key projects of local economic-national defense significance.

Immediate and long-term significance: Immediately, the people trained will serve on active duty. Later on, they

will serve in the reserves. Every male citizen between the ages of 18 and 50 will be a warrior, a citizen with the ability to build and defend the fatherland.

After considering things and seeing the advantages, Tien Giang gained experiences from Long An and began organizing battalions 514C and 2009B at the Tan Lap State Farm. Public opinion is that the economic-national defense units merit public recognition as regular forces. This is a type of local force that is organized, supported, and trained by the locality.

Based on these models, it is thought that as the number of regular forces is reduced, the number of economic-national defense forces in the localities will increase. The period that men must serve on active duty will be reduced from 3 years to 2 years in order to get almost all youths of draft age, including school graduates, to join the army to train, make contributions, and become both "red" and "expert" as stated in the Testament of President Ho.

Only in this way can the laws of the country be upheld and the fairness of the Military Draft Law be manifested. On one hand, it won't be necessary to increase the national defense budget and, on the other hand, the armed forces and national defense in the localities will be solidified and developed.

#### **Ho Chi Minh City Military Conscription Problems**

42090197 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 17 Feb 89 p 2

[Article by Phuc Nguyen: "Exchange of Views on Conscription in Ho Chi Minh City: Some Locations Still Not Correctly Understanding or Strictly Complying with Draft Law"]

[Text] In accordance with a request from QUAN DOI NHAN DAN, the Ho Chi Minh City Military Command recently held an exchange of views on compliance with the military draft law in the city during the recent past with discussions centered on the quality of annual conscription. Participating in the exchange were military cadres, party and administrative leaders, and representatives of a number of departments and sectors in the city, precincts, districts, and a number of villages. Colonel Nguyen Huu Tri, Deputy Commander for Mobilization of the Municipal Military Command, while presenting issues for the meeting to note on the situation of annual compliance with the military draft law of Ho Chi Minh city since 1985, stated that the problem of conscription quality persisted every year with the number of youths rejected for health and political levels accounting for about 10 percent each year. Another problem is that the cultural level of new soldiers is generally low. Many people, including cadres, party members, and party and local administrative leaders have an erroneous understanding of the saying that "The army is the great school of the youth," and send into the army youths with police

records, past histories, etc. Extremely few, almost none, of the new soldiers are party members. There are few youth union members and their quality is low. Mass admission to the Ho Chi Minh Communist Youth Union just prior to induction has occurred.

According to Colonel Nguyen Huu Tri, the quality of inducted youths is not met, not only when conscripting large numbers but also even when limited numbers are inducted. This situation is caused by military draft councils at all levels failing to truly emphasize the quality of those entering the army and being primarily concerned only with delivering sufficient numbers and meeting the norms assigned by upper echelons. Many primary level units consider the delivery of sufficient troops to the unit as having completed their mission. Soldiers desert or are rejected due to poor health or the inability to ensure political, moral, etc. qualities, and the receiving unit must bear the losses. In some cases, soldiers with a difficult family situation who could easily have been given a deferment, have been drafted by the local area, delivered to the army, and later been the subject of correspondence requesting the unit to return their sons.

This situation is primarily due to the fact that the military draft law has not been widely disseminated or profoundly propagandized among all levels of the people and youths, including the cadres and party members. Education in the law is seasonal, a few days prior to a conscription call. Some draft council members have only a rough and confused understanding of the law or do not understand its provisions, especially regarding those within the purview of conscription and military obligation deferment. The work of draft councils lacks uniform coordination, is not truly democratic or open, and does not fully develop the responsibility of the council members. The steps from annual draft registration, management of those preparing for induction, selection of individuals sufficiently qualified for induction, and enlistment physicals for youths preparing for military duty to organization of the youths for departure for service in the ranks, etc. lack true concern from party and administrative leadership and departments, sectors and mass organizations. Many locations consider this a private matter of the military sector in the village and sub-precinct, a "blank check" for the military cadres, etc.

Nguyen Van Nam, deputy village unit leader in Tan Thoi Nhi Village of Hoc Mon District, stated that for many years, the village military cadres have had to shoulder responsibility for nearly all tasks in the conscription process, from the visits made to each family to ascertain the political environment of youths of enlistment age. The youth union is unable to manage the youths. The public security population and household registration also lacks a firm grasp of the youths and there is no development of responsibility to coordinate with members of the draft council in registration, management and selection of youths for induction. In Tan Quy Dong Village of Nha Be District, the view of village

unit leader Lam Phuoc Hung is that for each conscription drive, the village military cadres must take the initiative to visit with village party committee and administrative echelons, department, sectors and mass organizations in the village to suggest assistance for each task. Such a relationship is clearly unacceptable. Education for the people on the draft law is extremely essential. With a proper understanding of the law, each individual can be someone propagandizing and teaching the law. Only on the basis of educating the people about the law is it possible to develop their democratic spirit in conscription. The role of the family, school, and mass organization in motivating youths to fulfill their obligations in the ranks has not even been partially developed due to poor education in the law.

With the practice of many years of fairly good quality conscription in the 11th Precinct, Nguyen Huu Hien, Vice Chairman of the Precinct People's Committee, said, "If the local party committee echelon is good, it is possible to mobilize coordination of sectors and mass organizations to the highest level. In the sub-precincts of the 11th Precinct, the military draft council operates in a fairly uniform manner with each sub-precinct firmly grasping the roster, political environment, family economy, health, ideology and feelings of youths of draft age. Mass organizations have many forms of motivating and mobilizing conscripted youths. The women's association of Sub-precinct 1 has examined rice and paddy assistance for youths with families in difficult conditions. The soldiers' mothers association of Sub-precinct 2 has created a fund to establish savings accounts for inductees. The precinct also makes withdrawals from the "Fatherland Frontline" fund to establish savings accounts for the inducted youths so they have money to study a trade when they return to the local area. Sub-precinct 6 has an assistance fund for the poor families of inductees.

The vice chairman of the 11th Precinct suggested that better efforts be made in propagandizing, disseminating, and teaching a concept of responsibility to comply with the military draft law among all the people. This work must be conducted and introduced to mass organizations such as the youth union, women's association and the front. Propaganda has been concentrated on a large scale but is still of little effect.

Colonel Hoang Chi, Deputy Commander of the Municipal Military Command Mobilization Office, raised the problem of closely connecting source management with social management. There are presently in the sub-precincts and villages of Ho Chi Minh City a great many youths who are not being well managed, especially street youths who are not youth union members. Virtually none of these youths have received education on the military draft law. Almost none of the schools have conducted education in the law or a military career.

According to Colonel Hoang Chi, ensuring the quality of youths selected for annual conscription is definitely essential. If conscription is based solely on age (from 18



to 22) as is done now, the cultural level of most new soldiers will be low, about midway through level 2. The graduates of middle-level general schools presently studying in trade schools or college fall within the purview of draft deferment.

Tran Van Giang of Hoc Mon District stated that to strictly implement the military draft law and ensure the quality of annually conscripted youths, it is absolutely necessary to perfect the implementation mechanism (with the military agency serving as a staff for the party and administration in the local area and maintaining a role of coordination with local departments, sectors and mass organizations). The role of the village and sub-precinct military draft council is extremely great in determining conscription quality because this is the level with a direct grasp of those being inducted. Responsibility for the quality of inducted youths must be decentralized to each echelon. Nearly all local areas in Ho Chi Minh City are confused over the handling of disciplinary infractions (not registering for the military draft, failing to take a physical examination, not obeying the induction order, deserting, etc.) because there is no uniform guidance on this problem.

Representing the Labor, War Invalids and Social Welfare Service, Vu Van Dung commented that one of the reasons that compliance with the military draft law is not strict and conscription quality is not ensured is that the policies on military personnel and their families are too backward and outmoded. Families with members in the army on one hand have little glory and on the other have many difficulties. Military personnel who complete their service in the ranks have great difficulty in finding work when they return due to low cultural levels and lack of a trade. This problem is relevant to many departments and sectors but concerned parties have not joined forces to provide employment for discharged military personnel.

Nguyen Thuyen (from the Ho Chi Minh Communist Youth Union) said that because the perception of all the people, including the youths, on the military draft law and the obligation to protect the fatherland is still poor, motivation of youths to comply with the law encounters many difficulties. The youth union in Ho Chi Minh City has conducted many classes to train union cadres on the military draft law and to disseminate experience in motivating youths to comply with the law, ensuring that each union cadre can properly explain the law. Primary level union units maintain a management ledger of youths in the age group obligated to serve in the ranks, and maintain close contact with changes in the strength, ideological developments and feelings of youths within the purview of conscription preparation. In many places, the Communist Youth Union has signed pledges to the chairman of the military draft council to motivate youths in properly complying with the military draft law and to ensure conscription quality.

In his remarks concluding the exchange of views, the deputy commander of the Municipal Military Command responsible for conscription mobilization concurred

with many of the views proposing strengthened education in a concept of responsibility, and more profound propagandization and dissemination of the military draft law among the entire party, people and army. While the party sets forth the two strategic missions of building and protecting the fatherland, every local area, sector and party committee and administrative echelon must lead and organize proper compliance with the military draft law. Military agencies at all levels must do better in their role as a staff for the local party and committee echelons in this work. With a proper understanding of and compliance with the law, surely the quality of annually conscripted youths will be ensured.

### Localities Must Step Up Protection of Communications Lines

42090216 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 27 Mar 89 p 1

[Article by Huy Thiem: "Communications Lines Are Calling for Help! Localities Must Step up the All-People Movement To Protect Communications Lines"]

[Text] Communications lines are very important means of liaison in the construction and defense of the fatherland. To protect these lines is the duty and responsibility of the people as a whole. On 27 March 1985, the Council of Ministers issued Decree No 87/HDBT for the entire country to observe as the regulations for protecting communications and liaison lines. Articles 1 and 2 contain the following paragraph: "Nobody can have unauthorized use of communications lines, nor use them for other purposes. All acts of violation of these lines must be uncovered in time and handled in accordance with the law.... To protect communications lines is the task of the people as a whole and the armed forces. The people's committees at all levels are the organs that bear the main responsibility for protecting the communications lines that go through their localities."

However, the losses of communications lines still occur and what is noteworthy is the fact that they become more and more serious everyday. Since the beginning of 1988, the cases of sabotage of communications lines have been completely different from what happened in the preceding years in terms of quantities, locations, and types of lines, and have become more serious everyday. In 1988, thieves took 189,470 meters of lines (an increase of 158.5 percent over 1987). Between 1 December 1988 and 25 February 1989 (in 3 months), up to 149,970 meters of lines were stolen. According to Ministry of Interior statistics, in recent months 20 kilometers of communications lines were cut and stolen each week throughout the country.

In 1988, many localities allowed the thefts of tens of thousands of meters of communications lines, with the greatest losses occurring in Hanoi, Ha Bac, and Vinh Phu. A noteworthy fact was that in Lang Son there were only 25 cases of thefts in 1988, but in the last 3 months the number of thefts suddenly increased to 94 cases, with



the quantity of lines being stolen totaling 20,000 meters. Other localities like Quang Ninh, Cao Bang, Nghe Tinh, and so on also suffered from thefts, but theirs were not as serious as those in the four above-mentioned localities. If in previous years mostly bimetallic wires were stolen, now the thefts have mainly involved copper wires.

We have learned that at the present time trade activities involving copper wires have been flourishing in the northern border areas. In the Lang Son market and a number of irregular markets close to the border, copper wires used in communications are the merchandise greatly in demand. Although this kind of merchandise is not openly sold as other kinds of goods are, very many blackmarketeers have been asking to buy communications copper wires. The deputy chief of staff of Group 34 said that in Lang Son blackmarketeers are secretly dealing with one another on the basis of exchanging 2 kilograms of communications copper wire for a Chinese-made vacuum bottle, 10 kilograms for a wall clock or a 16-centimeter table fan, 20 kilograms for a cassette-radio receiver, and so on. If they do not exchange for goods, they can get for 1 kilogram of copper wire 10,000 dong. Prices of copper bars are lower than those of copper wires, which sell at higher prices if they are cut in pieces rather than come in a roll. If we offer for sale a pot or a large round tray made of pure copper, we will find no buyer at all.

In an investigation we have found that the reason why communications copper wires were recently stolen in large quantities was the unusual value attached to them in exchanges of merchandises on the northern border. Meanwhile, our protection and management of communications lines have become looser than before. There were even a number of postal civil servants and communications troops of poor ethical quality who themselves stole the wires or turned the other way to let thieves cut the lines.

Communications lines are the kind of property that is in the open and goes through villages, forests, and mountains. Almost all provinces have these lines going through their territory. Therefore, in order to stop the stealing of these lines, it is absolutely necessary to launch an all-people movement to protect communications lines throughout the country. The people must act as the strong "insulator" that protects the lines that go through their localities. In the years of 1982-1983, the Hanoi-Haiphong line was so well protected by the people. Village military units and public security forces assigned specific line sections between designated posts to local production units and youth union chapters for protection. Almost all communications line posts were surrounded by barbed wires, with members of the militia and self-defense forces guarding them and patrolling at night. The lines on this line were never cut for many consecutive years. This is a good model that should be widely adopted in the whole country.

In our country's economic situation which still encounters many difficulties today, if the superior echelons do

not assign specific tasks and fail to make such assignment a legal order and instead make only generalized appeals, it will be difficult to obtain any results. There are national properties that can be assigned to only a number of sectors or a few people for protection, but in the case of communications lines, if we cannot mobilize all the people for taking part in their protection, all other measures will be useless even though large numbers of public security officers and troops may be used to carry out these measures, which still will remain inefficient.

Law enforcement organs must immediately prosecute the cases of theft involving communications lines in open court trials in their localities. In 1988, court trials were excessively delayed because of the 18 cases that had been prosecuted, although the files had been completed, trials were completed in only two cases in Haiphong. Many people have proposed that military courts also hold open trials in some typical cases that had occurred involving military communications lines so as to create general educational effects. The postal sector, public security forces, and army must strengthen their intelligence forces so as to destroy the gangs that secretly find a market for stolen communications wires.

Localities (particularly the ones that have allowed the losses of a lot of communications wires to take place) must organize meetings to learn experience about the matter and to thoroughly discuss it.

Let us look for those who should be responsible and find the reasons why any localities where the communications lines go through have suffered from so much theft. What would village military units, public security and militia and self-defense forces, and youth union chapters do to prevent this problem from happening? We think that if the people's committees at all levels give specific responsibility for sections of communications lines between designated posts to production units and militia and self-defense platoons, the communications lines concerned will be protected more safely. Only when assignments are made can we find the localities that do a good job to reward and the ones that do a poor job to punish.

The communications lines throughout the country are being destroyed. Let us propose that the responsible organs, party committee echelons, and people's committees at all levels take effective measures to stop those who are destroying them so as to keep the entire communications network intact and uninterrupted.

## ECONOMIC

### Soviet Union Helps Hau Giang Expand Power Network

42090214b Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 21 Mar 89 p 1

[Text] On 17 March 1989, Electric Power Corporation 2 held a conference to approve the plan to bring electricity to Hau Giang Province (excluding Can Tho City, for

which there is a separate plan). This is the first province in the country to have a plan to expand the agricultural electricity network (through the year 2005).

Hau Giang has a population of 2.6 million people. It is 6,126 square km in size and has 490,600 hectares of farmland. It is one of the largest "rice bowls" in the country, with the 1990 rice yield predicted to reach 2 million tons. Besides that, it also produces large quantities of pineapples, oranges, bananas, shrimp, fish, meat, and eggs. However, to date, the per capita power consumption norms in Hau Giang have been very low, that is, about 27 kwh per person per year. Ten years ago, the percentage of electricity used in agriculture was still around 2.0-2.5 percent. Little electricity was used for irrigation or drainage or for processing agricultural products. Only about 15 percent of the households in the province had electricity, and there were often power outages.

On behalf of the the team of Soviet specialists, Chelich Yuri Vasilevich, the director of the "project to expand the agricultural power network in Hau Giang Province" and a Soviet specialist from the Rural Area Electrical Network Planning Institute, Ministry of Power, gave a report on the plans, norms, and specific measures being taken to ensure that Hau Giang has 390-400 million kwh of electricity by 1995, an increase of 4-5 times as compared with 1988, and can supply electrical power to 48 economic and social groups in the province and provide electricity to 50 percent of the households. A maximum amount of electricity must be used for water conservancy, industrial processing, and small industry and handicrafts production.

The economic and technical details of the plan will be examined by the Soviet Union. Vietnam will then review and approve the plan. The Soviet Union will provide almost all the materials, equipment, and machinery used to expand this power network.

#### **Swedish Parliament To Donate Aid to Vietnam**

*BK2804044089 Hanoi VNA in English  
1500 GMT 27 Apr 89*

[Text] Hanoi VNA April 27—The Swedish parliament on April 19 adopted the government's proposal to give 300 (three hundred) million kronor as aid to Vietnam in fiscal year 1989-90.

The aid will be used for socioeconomic development in service of production and life.

Chairman of the Council of Ministers Do Muoi and Chairman of the National Assembly Le Quang Dao have sent a message to Swedish Prime Minister Ingvar Carlsson and speaker of the parliament Thage Petersson to thank them for that precious assistance.

#### **Joint Ship Repair Deal With French Firm Made**

*BK2704103389 Hanoi VNA in English  
0730 GMT 27 Apr 89*

[Text] Hanoi VNA April 27 OANA-ECOVNA—The Saigon Ship Repair Company has entered into partnership with the French-invested Subtec Middle East Corporation (PTE) to form a joint ship repairing and building company in Ho Chi Minh City.

The company is expected to have a start-up capital of 12 million U.S. dollars, of which 10 million will be obtained as low-interest loans from foreign banks. In the first year, the company will offer ship repair services only with a capacity of overhauling 160 under-15,000- [metric] ton ships a year. From the second year on, it will start building ships.

The company's main job is to overhaul foreign ships calling at Sai harbour, a service that is currently provided in Singapore, Taiwan or South Korea.

#### **Industrial Projects Set Up in Central Province**

*BK2804094589 Hanoi VNA in English  
0750 GMT 28 Apr 89*

[Text] Hanoi VNA April 28—An enterprise for making shoe uppers for export has been set up in Tam Ky Town of Quang Nam-Da Nang Province.

The enterprise has put into operation three of the five production lines it imported with more than 100 specialized machines. It has so far produced 5,000 pairs of shoe uppers.

The enterprise, which is designed to make 700,000 pairs of shoe uppers a year, is striving to turn out 240,000 pairs in the first half of this year.

A hydroelectric power station is being built in Dai Loc Mountain District, same province. It is designed to have a capacity of 5,400 kw. Efforts are being concentrated on the construction of the main dam, canals and a 35-kv cable line.

#### **Le Quang Dao Visits Agricultural Science Institute**

*BK0305062589 Hanoi Domestic Service in Vietnamese  
1100 GMT 30 Apr 89*

[Text] Comrade Le Quang Dao, chairman of the National Assembly and vice chairman of the Council of State, visited the Vietnam Institute of Agricultural Science and Technology on 28 April. Professor Dao The Tuan, director of the institute, briefed Chairman Le Quang Dao on the development of the institute and results of its research work on and application of science and technology in support of the state's grain and food programs.

Chatting with scientific and technical cadres of the institute, the chairman of the National Assembly spoke highly of the contributions made by collective and individual scientists. He also emphasized the need for the institute to seek ways to further renovate its scientific research and application of technology in such a way as to directly serve production and business in accordance with the spirit of the sixth party congress resolution and party Central Committee's sixth plenum resolution aimed at making science and technology truly the moving force for the development of the commodity economy.

### **Study of Forestry Sector Potential Planned**

BK0305092589 Hanoi VNA in English  
0724 GMT 3 May 89

[Text] Hanoi VNA May 3—A project for forestry sector review has been signed here by Nguyen Huu Quang, vice-minister of forestry, and S. Zakhariev, representative of the Food and Agriculture Organization (FAO), and David Smith, representative of the United Nations Development Programme (UNDP).

UNDP, and other donor countries contributed 617,000 U.S. dollars, and the Vietnamese Government, 14,000,000 Vietnamese dong, to the project. It provides for study of the potentials of Vietnam's forestry sector and gives recommendations on the strategy, policy and programme of development of forestry. The project will also determine the order of priorities to be given to the supply of technology and investment on five-year and 15-year terms. A workshop of donor parties is scheduled to be held later to consider the project's recommendations on future priorities.

### **Saigon Petro Begins Supplying Products**

42090214a Vietnamese SAIGON GIAI PHONG  
in Vietnamese 11 Mar 89 p 1

[Article by Tran Manh Tri: "Saigon Petro Begins Supplying Products to the City: 4 Tons of Kerosene, 40 Tons of Diesel Oil, and 60 Tons of Fuel Oil Per Day"]

[Text] The Cat Lai Oil Refinery of the Saigon Petro Gas and Oil Processing Joint Venture has supplied its first products to Ho Chi Minh City. These are also the first products produced here from Vietnamese oil wells on an industrial scale.

With its present processing capacity, the Cat Lai Oil Refinery can supply the city with approximately 4 tons of kerosene a day for cooking and lighting, approximately 40 tons of diesel oil, and about 60 tons of fuel oil for use by the industrial furnaces (steam boilers, smelting furnaces, reverberatory furnaces, and kilns).

In the near future, the refinery will also begin supplying about 40 tons of gasoline a day for cars and other motorized vehicles.

Although those are still very small amounts, which cannot satisfy the needs of the city and zones, in terms of quality, the products are all of the same quality as similar goods imported from abroad.

### **Development of Investment Law Discussed**

Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 17 Mar 89 p 3

[Article by Pham The Vinh: "Selecting Structures Suitable for the Development of the Investment Law"]

[Text] Probably no country in the world has endured such poverty and backwardness as Vietnam because of "shutting the door" for so long. Realizing this, our country has promulgated an investment law to replace the 1977 Investment Statute, which is now outdated and which has had various effects because of all the loopholes. Our investment law proposed the following investment forms:

1. Contractual business cooperation: Using this form, other countries and Vietnam can carry on production and business activities together based on mutual agreement on the rights, obligations, and responsibilities as set forth in the contracts. This relies on the existing juristic entities of Vietnam and does not establish new juristic entities. Because of this, this is a very suitable form when other countries don't want to or cannot participate in managing a new enterprise and large sums of investment capital are not needed.

2. Joint venture: This is an integrated and complex form of economic relationship between other countries and Vietnam based on shared assets, joint management, and shared profits or losses. This requires the formation of a new juristic entity, a third juristic entity. The legal form of a joint venture is that of a limited company. Each side is at risk only to the extent of the capital contributed. (Some countries organize things based on the legal form of a corporation with the assets divided equally based on the number of shares outstanding. Shares can be transferred and sold freely.) Vietnam is promoting this form by giving preferential treatment regarding financial obligations, such as waiving or reducing income taxes and not setting a minimum tax. This is a suitable form when other countries are able to participate in management.

3. Wholly-owned foreign enterprises: These are enterprises that are wholly owned by foreigners and that are managed by them. Legally, they are limited companies. This form is usually suitable for investors who have relatives here, particularly overseas Vietnamese. The foreigners can manage the corporation directly or delegate authority to their relatives here, usually through local people who participate in management, because only local people know the special characteristics of the country. Because of this, the state must implement a policy of granting special privileges to overseas Vietnamese as well as overseas relatives. This is because only by



working through people here will the overseas investors feel comfortable about investing money, which will shorten investment survey periods.

With the above investment forms, if things are developed based on the investment law only, meaning that people must invest in sectors with a customs tariff, it will not be possible to attract either foreign or domestic investors. We must do studies and establish tariff-free sectors, or duty-free zones. This is one way to encourage investors. There are three main types of duty-free zones:

1. SEZ or special economic zones: These are zones for which there are special economic policies and special economic management procedures under the guidance and management of the host government. It must be understood that a special economic zone is not a special political zone. Every enterprise and individual in a special economic zone must act in accord with the constitution and obey the laws of the host country.

2. EPZ or Export processing zones: These are industrial zones that are kept separate so that they can carry on production activities aimed at producing export goods. They enjoy certain economic privileges. As for special characteristics and the nature of their activities, the export processing zones are similar to special economic zones. But their sphere of operations is limited to the industrial sphere.

3. FTZ or free trade zones: These are zones that have been authorized to carry on operations with the aim of maintaining the commodity status quo, such as improving and sealing containers and selecting and transporting commodities. They are involved in continuing the production process during the circulation phase. These zones are formed in order to promote world commerce with respect to commodity circulation. They enjoy special economic rights.

Duty-free zones are usually established at river and coastal ports, rail and road communications centers, airports, and border zones, that is, at places where materials, equipment, and commodities cross the border in large quantities.

Materials and commodities enter the duty-free zones from two places, other countries and tariff zones. If materials and commodities are brought into these zones for export, the customs duty is often waived or reduced or the duty is returned (in cases in which the tax has already been collected in the tariff zones).

A striking feature of the duty-free zones is that their administrative efficiency is particularly high. The employees there must be experts, the documentation procedures must be simple, the party committee echelons and authorities and the business enterprises must be kept separate, and product circulation time must be reduced. The zones must be provided with industrial and

commercial facilities, and there must be special prices. The aim is to reduce production costs and enable the products to compete on international markets.

The duty-free zones serve as bridges between domestic markets and foreign markets. Through these zones, we can reach out to international markets and learn what the needs are in terms of quantities, quality, types, patterns, and consumer tastes abroad. These zones function as an accurate "thermometer" in measuring changes and predicting the international economic situation, which enables us to change our internal economy in accord with what is happening abroad.

Why have the above forms been so slow to develop in the socialist countries?

In the socialist countries, for a long time now we have been saying that direct capitalist investment in the economy of a socialist country with the aim of making a profit is a form of exploitation by the capitalist countries. That is, they are exploiting the manpower of these countries. But today, economists in the socialist countries have come to the conclusion that there is no real economic difference between paying interest on the credits that the socialist countries are attracting (indirect investment) and transforming the capitalist assets invested (direct investment) into profits. Both requisition the surplus products produced by the laborers. Because of this, making use of foreign capital, regardless of the form, in the economy of a socialist country must be regarded as a way of mobilizing supplemental capital. The surplus products in the enterprises (including the enterprises with foreign investment capital) are essential to maintaining the process of expanded reproduction regardless of the economic form. As for the profit made by the foreigners, that is actually compensation for the industrial processes and advanced techniques received by the socialist countries within the enterprise framework. The profits are also compensation for the better forms of labor organization aimed at accelerating the progress of the economic plans and expanding the economy. Given the conditions of a socialist economy, capital control can be carried out by the state organizations.

Since the socialist countries realized the erroneous viewpoints mentioned above, the development of the various forms discussed above has been quite successful. China and Hungary have been engaged in this, and most recently, the Soviet Union began making preparations to form such zones in the Soviet far eastern region. For example, the per capita income in China is only \$273, but in the "Tham Quyen" Special Economic Zone in China, the per capita income is \$8,000.

What about the possibilities for developing these forms in Vietnam?

The developing countries have been developing these forms for several decades now. They have conducted experiments, achieving successes and suffering failures.



Initially, we can study the good experiences of China. In 1979, China began carrying on economic reform. It implemented a policy of opening the door in order to attract foreign investment after having kept the door closed for 30 years. Vietnam's present situation is similar to that of China's 10 years ago. We must make use of China's experiences in order to shorten the research stage and feel our way in attracting foreign investment.

The party and state have given permission to develop the export processing form. Ho Chi Minh City has established SEPZONE 1 and SEPZONE 2 (Saigon Export Processing Zone).

Along with establishing export processing zones, the city can also establish a few free trade zones, such as at Tan Son Nhat Airport, the Port of Saigon, and so on, that is, places where we already have surfaces, rail lines, industrial and commercial facilities, good living conditions, and international circulation centers. With our limited amount of investment capital and only a short period of time in which to improve and build enclosures, we can build international market zones in order to receive imported goods. We must also conduct studies and develop a number of special economic zones in a number of localities in order to integrate export processing zones and free trade zones if it is felt that this is suited to the economic and social conditions and the natural conditions in those places.

### **Smuggling Along Southwestern Border Still a Problem**

42090214c Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 21 Mar 89 pp 1, 3

[Article by Le Tien Tuyen: "Stop Smuggling Along the Southwestern Border, a Policy That Has Not Produced Results"]

### **[Text] Gold Out, Vehicles In**

Even before we reached Moc Hoa, a place noted for the sale of Honda cub motorcycles brought in across the border, as we drove along provincial Highway 49 and then provincial highway 829, which connects Long An City with Moc Hoa District, we saw a bustling market that had just been opened. There were crowds of people coming and going. The people going to Moc Hoa to purchase vehicles traveled there by boat or various types of motorized vehicles. Those leaving were riding Honda cub motorcycles. One of the passengers riding with me said that the people call this highway the "gold road." He explained: "Here, 'gold' does not refer to the color of the road. I mean real gold. It flows out along this road, from Long An to the Moc Hoa and Vinh Hung passes, and goods flow in."

When we reached the town of Moc Hoa, things were even more lively. Hundreds of Honda cub motorcycles were parked along the road, but few of the motorcycles had a license plate. In front of the Moc Hoa-Long An

Joint Commercial Store, a vehicle "market, which in actuality is a large field surrounded by a cement wall, more than 400 Honda cub motorcycles were parked in rows. The sellers were Vietnamese who had purchased them across the border or people from Cambodia who had brought them into the country. The buyers included people from throughout the country. The buyers negotiated with the sellers directly and paid in gold. Near the sales field were places to weigh and test the gold. People arrived and left constantly. The buyers were given documents, including a vehicle sales invoice from the Joint Commercial Store, which stated that the taxes of the Tax and Finance Office had been paid. The tax rates are as follows: Honda cub 82 and 84 motorcycles, 552,000 dong per vehicle; Honda cub 81 motorcycles, 319,000 dong; cub 70 motorcycles with a square headlight, 598,000 dong; and cub 78, 79, and 80 motorcycles with horizontal handlebars, 322,000 dong. To take the motorcycles out of the district, the buyers must have the documents mentioned above. To take them out of the province, they must have their papers stamped by the Long An Tax Branch. Registering the vehicle is up to the buyer! The man in charge of the joint store said that since the store first opened for business in August 1988, it has sold 2,000 vehicles. But it has actually sold more than that. Ho Hai, the head of the vehicle control station in Tan Lap in Moc Hoa, which inspects motorized vehicles before they leave the district, said that in the past, more than 100 vehicles were leaving the district every day. The number has dropped to about 50 now. If we accept those figures and if each vehicle costs 1 "cay" of gold, that means that 1,500 "cay" of gold are leaving the country every month in exchange for Honda cub motorcycles. And if the average tax imposed on the sale of each vehicle is 1.5 "chi," that means that more than 200 "cay" of gold are going to the district's budget each month.

In An Giang, including only the 6,000 Honda cub motorcycles that have been registered, the amount of gold flowing out of the country is very large. This does not include the large number of vehicles brought across the border in sampans, trucks, and military vehicles. They are then secretly dispersed to various places.

### **Markets That "Specialize" in Imported Goods**

The marketing activities along the border in Chau Doc City, Phu Chau District, An Giang Province, are different from those in Moc Hoa and Binh Hung. Here, they obtain goods from across the border and specialize in buying and selling high-price metal products and electronic equipment such as video cassettes and automobile parts, artware, jeans, "pun" jackets, cigarettes, and medicines. They set up trading stations just across the border and employ people from nearby villages to transport the goods into the country by road and water. The goods are brought together and then sent to various places. In Tan Chau City, of the 600 households issued business permits, about 200 specialize in imported goods. At the Chau Doc and Long Xuyen markets, goods

from Thailand and other countries are displayed openly. Large quantities of goods are on display, from buttons, notebooks, batteries, and sandals to expensive items such as the latest make of video cassette players. When customers arrive, hucksters call out their prices: a type 779 Sap video recorder for 1.1 "cay" of gold, a type 789 for 1.2-1.3 cay, and a 2-track 879 for 1.6 cay. The gold used is gold leaf. In An Giang, which has six passes and 90 km of border roads, travel is easy. It is difficult to estimate the quantity of goods that are brought in each day.

### Neglect or Helplessness?

On 1 January 1989, the Council of Ministers issued a notice prohibiting the import of automobiles and motorcycles outside the state stores and organizing things to oppose smuggling. But in Binh Hiep City in Moc Hoa District, Long An Province, Honda cub motorcycles continue to pass by Border Control Station 877 freely. Behind the border station is a small market that deals in smuggled goods. Truong Quang Tu, the head of the Binh Hiep Border Defense Station, told me:

"The station's main task is to stop incursions and prevent people from crossing the border illegally. Our task is not to seize goods. We inspect just the automobiles, not the Honda cub motorcycles. Since the Council of Ministers issued the notice, we have not received any specific guidelines on controlling smuggling."

"Have you managed to prevent people from taking gold across the border," I asked.

"At the end of 1987 and beginning of 1988, cross-border smuggling was not a major problem. But we managed to seize 65 'cay' of gold. We turned the smugglers over to the provincial security forces for handling of the case. But since then, little has been done."

Xuan Huong, the deputy head of the Land and Water Route Control Station at inter-provincial Highway 829, said quite clearly that "we know that many people are bringing in gold in order to purchase goods along the border, but we can only inspect the means of transportation. We do not have any naval forces in the province." Vo Van Giap, the head of the Phu Chau District Tax Office in An Giang Province said that "since 1986, the seizure of smuggled goods has been under the control of the provincial naval forces. The tax office just collects taxes at the markets. Thus, when the smuggled goods reach the markets, they become 'legal' goods."

On 10 March 1989, we worked with the An Giang provincial naval forces and learned that in 1988, the naval forces arrested 1,901 smugglers and levied and collected fines totaling 1.4 billion dong. During the first 2 months of this year, they arrested 240 smugglers and seized goods worth 279 million dong. The agencies responsible estimate that this is just one-tenth of the actual amount of goods being smuggled into the country.

But many others say that this is just 1 percent. Specifically, in 1988, the naval forces seized 161 smuggled vehicles. But during the year, 6,000 Honda cub motorcycles were registered for use in the province. Recently, the naval forces arrested three smugglers carrying \$22,900. These smugglers confessed that they brought goods into the city to sell for gold or dollars. They then took the gold or dollars across the border through the Tan Chau and Vinh Xuong passes to buy more goods, which they brought back to the city. But for every one who is arrested, 10 make it through undetected.

### There Must Be Synchronized Measures

Not only has smuggling along the southwestern border led to an uncontrolled outflow of gold and foreign currency, but it has also had a bad effect on the markets and harmed production in the country. As for smuggling, besides the fact that the border is very long and easy to cross, which makes it difficult to control, the other factors that have contributed to this situation are that the localities have not implemented the decisions of the central echelon in a synchronized manner. Looking at the real situation in the localities, we saw that there are many different viewpoints on this problem. In some places, people said that the flow of smuggled goods must be controlled in order to increase budget revenues. Otherwise, these people will continue to smuggle goods and avoid paying taxes. Others said that importing goods does not generate an outflow of gold. Instead, this stimulates people to work so that they can purchase goods. Some said that the import of foreign goods will stimulate domestic production. The production installations will strive to replace shoddy items and improve the quality of their products in order to keep up with the markets. Because of the difference of opinion and because of the lack of uniform measures, if one place takes resolute action, the smugglers simply look for another "door." The routes used to smuggle in vehicles provide an example. Initially, the vehicles are brought in through the Moc Hoa pass. After that, they are transported to Tinh Bien and Chau Doc along the Moc Bai and Tay Ninh highways. On the other hand, to date the state has not issued specific regulations on which goods cannot be imported and which goods are to be taxed heavily in order to protect goods produced domestically. The only thing that has been done is to separate the goods into general classes of goods, which makes it difficult for the various places to implement things. A number of people told me that in the Mekong Delta, every family wants a motorcycle, because it makes things so much more convenient. How can that be called a luxury item? Eighty percent of our young women use makeup and so how can those items be called luxury items?

"Are the localities neglecting the work of controlling smuggling, which would help to increase budget revenues?" I asked Nguyen Thi Kim Hong, the deputy chairman of the An Giang People's Committee.

"No," she replied. "But we can prohibit only the state enterprises and cooperatives, not the people." She suggested that in order to stop the smuggling, the state

should allow the localities to import goods in accord with their needs through Vietnamese ports. Import and export tariffs must be studied so that the goods sold by the state are cheaper than imports.

Smuggling along the southwestern border is still a problem. Steps must be taken to solve this problem as soon as possible.

### **Congress Marks Establishment of Industrialists Association**

42090221a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 29 Mar 89 pp 1, 2

[Article by V.H.L.: "Municipal Industrialists Association Officially Established—Gathering Many Bourgeois, Small Owners Ardently Serving the Country—Nguyen Vinh Nghiep Addressing the Congress"]

[Text] The first Municipal Industrialists Association in 14 years was officially born. On 27 March 1989, more than 200 industrialists held a congress to elect an executive committee consisting of 35 members who recently made many contributions to the movement for development of production and national construction. Their names, which were well-known before and after the liberation due to outstanding economic and social activities, included those of Nguyen Xuan Oanh, Ngo Cong Duc, Nguyen Thi Nu, Tang Quang, Ngo Dinh Phan, Pham Van Thanh, Pham Sanh, Tang Kim Tay, Duong Mong Ao, Tran Anh Tuan, Nguyen Don, Nguyen Tan Lien, Huynh Minh Duc, Huynh Ngoc Cu, Le Thi Sang, Ly Sen, Nguyen Manh Tuan, Nguyen Chau, Chau Tu, and so on.

Being the association of industrialists of a municipality serving as an industrial center and having many economic components, it had at its congress this time delegates from such friendly provinces and municipalities as Hanoi, Long An, Tien Giang, Hau Giang, Vung Tau-Con Dao Special Zone, and Phu Khanh; the Vietnamese Association in the FRG; and four overseas Vietnamese corporations in the municipality, as well as former members who had been active in the old Saigon Chamber of Commerce and Industry.

Through 11 speeches at the congress, many industrialists sincerely expressed their being happy about the policy of renovation and the change of economic direction undertaken by the party and state, and the hope that a new era would open for the country in general, and for producers in particular. In the name of the industrialists in the municipality, Nguyen Thi Nu, director of the Duc Tan Joint State-Private Floor Tile-Manufacturing Enterprise, pointed to the topmost task in the forthcoming activity, namely "All for production, contributing to making the country prosperous and strong," and proposed that the party and state resolve the present difficulties and problems, create favorable conditions for industrialists to contribute what they could within their capabilities, and help the economy soon to overcome the present difficulties.

Addressing the congress, Nguyen Vinh Nghiep, acting chairman of the Municipal People's Committee, praised the bourgeois and industrialists in the municipality for having acted on the basis of their patriotism, patiently undergone much hardship, and even sacrificed their personal interests in order to make contributions to the common undertaking, with some of them having offered the state their own enterprises, turned private enterprises into state-operated ones, and promoted their continuous development, with annual income amounting to tens of millions of dong in foreign currencies. Many other bourgeois entered joint business with the state under unfavorable conditions, in spite of losses in connection with their personal interests, so as to contribute to the development of a number of the municipality's economic sectors, with some typical enterprises including Pham Hiep Joint State-Private Enterprise of Pham Van Thanh, Duc Tan Joint State-Private Floor Tile-Manufacturing Enterprise of Mrs Nguyen Thi Nu, Lien Huong Joint State-Private Fish Sauce Enterprise of Tang Quang, Binh Dong Joint State-Private Electric Motors Enterprise of Nguyen Bon, and so on. In addition, there were bourgeois and small owners having both trade skills and capital who contributed their properties to building cooperatives and business collectives, which have been doing good business, such as Dong Tam Machinery Cooperative, Tien Dat Cooperative, Quang Minh Textile Cooperative, Viet An Cooperative, Dong Tam Bamboo Shade Cooperative, Truong My Lacquerware Cooperative, Ngoc Thang Cooperative, Lien Hop Machinery Cooperative, and so on.

The acting chairman expressed the hope that in the time to come, with Resolution 16 of the Political Bureau being carried out more positively everyday and with the birth of the Municipal Industrialists Association, the progressive bourgeois and small owners would be in a better position to restore their productive capacity, to further develop their positive role, and to contribute to stepping up production of consumer goods.

He hoped that in the time to come, the municipality's industrialists, with the currently available capital, skills, technical capacity, and managerial capacity, would be totally capable of organizing the production of many lines of goods of high quality, varied and attractive styles, and low costs to compete with the goods of other countries. The municipality would give our industrialists utmost support so that they could do effective business.

### **Bank Applies New Interest Rates for Savings, Loans**

42090221c Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 29 Mar 89 p 1

[Article by L.T.T.: "Saigon Bank of Industry and Commerce: Applying New Interest Rates"]

[Text] Beginning on 1 April, Saigon Bank of Industry and Commerce (i.e., the Shareholders' Bank of Industry and Commerce) will apply the following rates of interest:



Interest for unlimited savings deposits is 9 percent per month (interest earned each month is added to savings and account holders can withdraw both savings and interest at any time). The savings deposits having a time limit (interest is added to savings at maturity) earn interest as follows: 3 months, 12 percent; 6 months, 14 percent. The bank also issues certificates of deposit at amounts of 1, 2, 5, 10, and 20 million dong and for 3 months and 6 months. Deposits of 1 million will total 1,350,000 dong at the end of 3 months, and 1,850,000 dong, 6 months.

As to the rates of interest for loans, according to a decision of the bank's Board of Management, the following rates of interest are applicable: For cash loans, 11.7 percent per month, .45 percent per day in the case the loans are used in production; 12.3 percent per month, .5 percent per day, in business and services. For loans made through transfer of funds, the rates are 6.9 percent per month, .3 percent per day, in production; 7.5 percent per month, .35 percent per day, in business and services.

**Oil-Gas Exploration Projects Still Lack Capital**  
42090221b Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 29 Mar 89 p 1

[Article by Tran Chung, Oil-Gas Construction Corporation: "March 1989 Is Almost Gone, Yet Many Oil-Gas Exploration and Extraction Construction Projects Still Lack Capital"]

[Text] Although the construction projects that serve the exploration and extraction of oil and gas are classified in the category of "State-level key projects," from the beginning of 1989 until now the units in charge of these projects have not yet received capital in order to continue their operations, in spite of the fact that the construction and assembly plan was assigned to them late in 1988.

Because they do not have money to buy materials and raw materials and to pay wages, the construction units are encountering very many difficulties in organizing and maintaining production. Many negative phenomena have taken place: stealing of materials, skilled workers leaving their units to do work outside, the rest of them working inefficiently because of the wait for materials and wages, and so on.

The Vung Tau Oil-Gas Construction Corporation (Ministry of Building) had to borrow hundreds of millions of dong with high interest to pay its workers' wages.

Since the dry season is the "active" season of the building sector, the capital construction projects that serve oil-gas exploration are to carry out large volume of work and to face very urgent needs; therefore, they now demand that the State Planning Commission, Ministry of Finance, and Gas-Oil General Department take

appropriate measures to quickly provide them with capital so that the construction units could ensure the rate of progress of their work and thus avoid further losses for the state budget.

**Hanoi Building Two Modern Hotels**  
42090232b Hanoi TIEN PHONG in Vietnamese  
28 Feb 89 p 1

[Text] As learned by TIEN PHONG, after a period of studying and exploring potentials for cooperation, the Pullman International Hotel Firm, a large hotel business headquartered in Paris with operations in 30 countries, has joined the Hanoi Tourist Corporation in signing a document of cooperation to construct a hotel called "Pullman-Thong Nhat-Metropole" on the site of the present Thong Nhat Hotel.

Construction on the project will begin in June 1989 in two segments: with improvement and upgrading of the old hotel from 94 to 109 rooms with three floors; and new construction to extend the height of the building from the fourth to the seventh floor with 250 rooms. The new hotel will have a swimming pool, steam bath, tennis court, international wireless telecommunications system, and large conference rooms meeting all the standards of international conferences. All the equipment installed in the hotel will be completely modern, meeting the standards of a five-star hotel.

The Crystal Centre Property Ltd. firm (Federal Republic of Germany) has also agreed to cooperate with the Hanoi Tourist Corporation in newly constructing on the site of the Hoan Kiem Hotel a four-story hotel with a total of 15 million dollars. All equipment for the hotel will be supplied by the Crystal firm and will meet the standards of a three-star hotel. Construction will begin in June 1989 and will be completed in a year and a half.

**Price of Vietnamese Gold Continually Fluctuates**  
42090232a Hanoi TIEN PHONG in Vietnamese  
21 Feb 89 pp 1, 3

[Article by Minh Dien: "Money Mysteries!; Why Do Gold Prices Constantly Rise?; Who Is Buying Gold and Where Is the Gold Going?"]

[Text] Mr. Tran Trong Ha, the owner of an export fine arts production business in the 3rd Precinct of Ho Chi Minh City, quietly shook his head and said to me in an unhappy and concerned tone, "You know, at the beginning of January 1988 when the facility opened, I spent 20 ingots of gold to serve as capital. It was not enough so I borrowed an additional 20 ingots from my relatives. At that time, the price of gold was 700,000 dong per ingot and 40 ingots cost me 28 million dong. After a year of exhausting work and an audit, my business has a total capital of 70 million dong, equivalent to 70 ingots of gold and I have thus lost 20 ingots."

Lam Tan Hoan of 3-2 Street, owner of weaving sector production business, lamented, "At the beginning of 1988, I spent more than 100 taels of gold to invest in the purchase of two looms and raw materials. Now, including both the machinery and liquid assets, there is about 60 taels left and I have completely lost one half."

Such desperate complaints have and are resounding everywhere, from production business owners to common laborers in Ho Chi Minh City, because the price of gold surges upward each day at a dizzying pace, drawing the prices of all other goods up with it.

### A True Anomaly

Never has the amount of gold mined in the world been as high as during 1988. According to the magazine FAR EAST ECONOMY, the amount of gold mined rose to 60,000 troy ounces (1 troy ounce = 31.105 grams), an 8 percent increase over 1987. Gold on the English, French, American, Japanese, and world markets stagnated and the price fell in a frightening manner; from 418 U.S. dollars per troy ounce to 408 U.S. dollars and by the first part of January 1989, 384 U.S. dollars per troy ounce. These prices were nearly identical from the United States and Western Europe to the southeastern region of Asia. In Vietnam however, the "thermometer" for measuring gold prices constantly heated up: from 230,000 dong per chi [1/10th tael] to 250,000, 280,000, 300,000, and then 350,000 per chi at the beginning of February. Compared with February 1988, the price of gold in Ho Chi Minh City increased by exactly five times. Compared with Hong Kong and Singapore, the price of a gold ingot in Saigon was 30 dollars more expensive.

### Who Is Buying Gold and Where Is It Going?

Prior to liberation, Saigon was considered as a "navel filled with gold." Gold from every direction flowed into Saigon and became stagnated. Then, Saigon had 400 large gold and silver businesses, including 18 well-known gold smelting and casting kilns such as Kim Thanh, Lien Thanh, Kim Phat, Kim Ngoc, etc. Gold displayed for sale filled brilliant showcases in the Vuon Chuoi, An Dong, Binh Tay and Ong Ta markets, and at that time, no one in Saigon, especially in the business circle, was foolish enough to purchase gold.

Today, although greatly diminished, the gold in Saigon is still not exhausted. The proof is that scores and hundreds of ingots are still regularly spent to buy houses and when necessary, a full thousand taels to invest in business production. Since Decree 161/HDBT of the Council of Ministers was issued on 18 October 1988, the amount of gold carried into the country by overseas Vietnamese has averaged a few hundred taels daily. Especially during the Year of the Snake lunar new year [6 February 1989], more than 5,000 overseas Vietnamese brought in nearly 10,000 ingots of gold. And yet, "the price of gold still dances the tango." Why?

At the entry points of Moc Hoa (Long An), Chau Doc (An Giang), Sa Mat, Go Dau (Tay Ninh), coastal cape regions, Ha Tien (Kien Giang), etc., each day thousands of Honda cub motorcycles of all kinds and television sets, video cassette players, ready-made clothing and bolts of fabric from Thailand flow across for open display and sale. All of these things are purchased with gold. At Saigon's Tan Cang (New Port), there is a force transporting contraband goods by sea from Thailand and Singapore. This force controls an area of nearly two subwards in Binh Thanh Ward as a location for receiving the contraband goods. Night after night, Jet, Ba 5 and Hero cigarettes, and other luxury items are offloaded and gold is delivered to the ships. At the beginning of January 1989, the Ho Chi Minh City economic public security forces, after countless days of reconnaissance and ambush, were only able to apprehend one "Phu Quoc" ship and inventory an amount of smuggled cigarettes equivalent to 2,400 gold ingots.

The streets of Saigon such as Ta Thu Thau, Huynh Thuc Khang, Le Thanh Ton, Ngo Gia Tu, etc., are filled with Thai goods. Actually, there are only three kinds: ready-made clothing, luxury items and processed foods, and the quality does not greatly exceed domestic goods. However, all of them are purchased with gold.

Data from investigative agencies indicates that each day, from 600 to 1,000 gold ingots are spirited out of Saigon to foreign countries for the luxury items noted above.

The Vietnamese border has been penetrated because of the negative interests of each local area, opening the way for smugglers to amass gold from inside the country and spirit it out in search of profit. This is one of the reasons that gold has become a malicious animal suffocating the lives of the people.

### How Can the Price of Gold Be Restrained?

Doctor Tran Van K., an overseas Vietnamese economist living in France, answered this questions as follows:

In Vietnam at the present time, gold has and is replacing the function of paper currency and while the currency is constantly decreasing in value due to prolonged inflation, halting the increase in gold prices is a dream. However, there are measures for preventing the price of gold from excessive surges and making it correspond to other commodity products. These are methods of strictly controlling outflow and expanding inflow. To control outflow, forces manning exit points and inland waterway and sea transportation units must be purified and regulations and methods are necessary for strictly prosecuting local area and individual violators. For input, the "public good surcharge" level must be reduced. During the recent past, the state stipulated that each tael of gold brought in from a foreign country pay an excessive public good surcharge of 10 percent, for a loss of one-tenth tael per ingot! Many persons became concerned and did not want to carry gold in. If the level of the

public good surcharge was reduced to 5 percent, the number of people bringing in gold would be multiplied many times. In that way, clearly the state would benefit more. On the other hand, the state must have appropriate policies to encourage people with gold to invest capital in production, producing products for the country, people, etc.

### Need for More 'Red Capitalists' Stated

42090228 Hanoi DAI DOAN KET in Vietnamese  
11-17 Mar 89 pp 1, 3

['Public Forum' Column: "The Need for Many 'Red Capitalists'"]

[Text] In the present task of renovating the country, it is necessary first to conduct economic renovation. For countless years, we have placed everyone at the poverty level and separated the word "prosperous" from the party member. The word prosperous has been understood as something shameful or sinful that the cadre and party member must avoid. The result is that in our society, cadres and party members are usually the poorest people. Even though our party and state have officially acknowledged an economy with many elements in society, it's not as if there were no occurrences of party members asking to leave the party to become wealthy. Many party members who shed their blood in war for the independence and freedom of the fatherland are today requesting to leave the communist party to prosper and engage in economic work. Why doesn't a communist have the right to be prosperous? Why is it?

For countless years, we have admitted to the party those who are impoverished and have relied on poor people to conduct the revolution. During previous periods of the revolution, this has been correct and suitable: so, who is our party relying upon now to carry out economic work?

1. Differing from other citizens, communist party members, besides obeying the constitution and other laws, are also obligated to comply with party statutes. The statutes of every communist party in the world clearly state that "members of the communist party are individuals who work without exploitation."

From a study of 100 years of exploitation of the labor force under capitalism, C. Marx set forth the formula that commodity value =  $C+V+M$  and concluded that: the level of labor force exploitation is expressed by the surplus value ratio of  $m/v$ .

In the economic reorganization in the Soviet Union and European socialist countries; and opening of the country's doors and four socialist modernizations being conducted in China, the problems of "exploiting" and "being exploited" are being heatedly discussed by economists. Actually, the new socialist economy under conditions of multinational cooperation and economic association between countries with different social systems has posed

the need for developing the economic arguments put forth by C. Marx, F. Engels and V.I. Lenin a century ago.

Just since 1978, China has proclaimed an opening of the country's doors, encouraged everyone to become prosperous, formed a series of special economic zones for foreign countries to freely invest in business and hire domestic labor, formulated an economic strategy for the coastal region, and established many joint enterprises with a director (or deputy director) who is a capitalist and a deputy director (or director) who is a communist party member. All of these Chinese joint enterprises have the same party, labor union, and communist youth union organizations as other socialist state-operated enterprises. According to the experience of the Chinese communists, since 1985 the Soviet Union and many other socialist countries have established many "business freedom economic zones" where individual and cooperative economy is permitted to develop, and many joint economic enterprises are formed with capitalist countries. Reality has shown that this is a proper economic development course, enriching the country and returning a high standard of living to the cadres and party members. Recently, an outstanding female director in Hungary was elected to the political bureau. Under conditions of an economy with many components as at the present time, the categories of "exploiting," "exploited," "hired labor," etc. are being replaced by economists with other more suitable categories such as "contractors," "associates," "capital and stock labor distribution," etc. In China, the communist party has encouraged everyone to become prosperous with cadres and party members setting the example in becoming prosperous and richer than the people, and those who do not know how to enrich themselves are not permitted to lead economic agencies. Those with talent, capital, legal wealth, and expanded reproduction accumulation who create many jobs and wages for laborers are considered good for and needed by the country. They receive first attention in party development. The old way of considering poor tenant peasants, poor friends, and poor people engaged in honorable work has become outmoded when confronted by the task of building a new economy and modernizing socialism.

Faced with this situation, communist party statutes must be revised to conform with present conditions and old categories and terms must be replaced by new ones. During the new period of the revolution, each communist party member must be a "red capitalist." Only by each party member knowing how to create much surplus value for society and himself can we hope for the country to become prosperous.

2. As in other revolutions, the communist party has participated both in the status as a component and a member, and as a leader in the task of developing the country's economy. Through this revolution, the party will mature and assert its leadership role at a new height. On the other hand, the laws of our country recognize the equality in political position of all economic components



in society. All of these economic components are under the leadership of the party. For this very reason, like every other citizen, the party member must be permitted to participate in the economic components under protection of the law. The party member must also be allowed to engage in business, open privately operated enterprises, and hire labor without limitation. It is presently extremely difficult in our country to find party members engaged in outstanding economic work and economic management like Mrs. Ba Thi of Ho Chi Minh City. For that reason, the communist party during the new revolutionary period must consist of individuals who are advanced and active in all economic components. Our party must admit into its ranks those who are vanguards in every component, individuals who are motivating forces in organizing the masses to enrich and modernize the country. Our party presently has 2 million members. If these 2 million were outstanding economic workers and "red capitalists," our country would truly be happy.

3. Our country has promulgated an investment law and a law for transferring the technical inventions and discoveries of foreign countries into Vietnam. In the near future, the external economic cooperation between our country and the countries of ASEAN, Japan, China, Laos, Cambodia, etc. will be increasingly expanded. More than 2 million Vietnamese living in foreign countries are facing toward home and associating with the country in developing the economy. Within the country, our state is permitting the existence of an economy with many components and the formation of privately operated enterprises and land contracts, and in the future will allow contractors, factories, and state enterprises to operate with a deficit. During the new period of the revolution, we have an extreme need for party members skilled in economic management and in setting an example in achieving the party's new economic policies. To achieve this, the party and state must lean toward the youth union organization and youth classes, relying on youths to enter economic activities, and launching a movement of youths becoming prosperous and studying business. To have ranks of economically skilled communist party members—figuratively "red capitalists"—, we need ranks of youth union members who know how to engage in economic work and business—youth "millionaires."

It is hoped that the Year of the Snake [1989] will see in our country the appearance of increasingly greater ranks of "red capitalists."

**More Private Enterprises, Companies Set Up**  
*BK0905080489 Hanoi VNA in English*  
0710 GMT 9 May 89

[Text] Hanoi VNA May 9 (OANA-ECOVNA)—Since the Council of Ministers issued a decision on the development of the non-governmental economic sector a year or so ago, 98 private enterprises and companies have been set up in Hanoi and Ho Chi Minh City.

In Hanoi, 26 such enterprises and companies have started operation in the fields of engineering, tailoring,

handicrafts, and building materials. Each unit employs 20 to 100 workhands.

Ho Chi Minh City has seen 34 private enterprises and 38 companies formed with the employment of more than 10,000 workers. Those establishments engage in processing farm, forest, and maritime products, textile weaving, tailoring, and transport. Their total investments amounted to 19 billion dong (Vietnamese currency).

**UN-Funded Project Documents Signed**  
*BK0905154989 Hanoi VNA in English*  
1500 GMT 9 May 89

[Text] Hanoi VNA May 9—Documents on three projects funded by the United Nations Development Program (UNDP) and the United Nations Fund for Population Activities (UNFPA) have been concluded here.

The first is signed here yesterday by Mrs. Truong My Hoa, vice-president of the Vietnam's Women Union, and Mr. David Smith, resident representative of the U.N.D.P. The project with the budget of U.S. \$182,800 from U.N.I.F.E.M (The UN Development Fund for Women within K.N.D.P) will last for 18 months. It aims at improving the quality and quantity of the traditional weaving production in the mountain district of Mai Chau, Ha Son Binh Province, west of Hanoi, through the provision of technical advice and training and the improvement of traditional equipment.

The second is about assistance to the Institute for Tropical Technology in the field of marine corrosion. It has been signed by Prof. Vu Dinh Cu, vice president of the National Centre for Scientific Research of Vietnam, and Mr. David Smith.

The project, funded by U.N.D.P. with a total budget of U.S. dollars 544,000 aims at enabling the National Centre for Scientific Research of Vietnam through its Institute for Tropical Technology to assist the national economy in solving corrosion and tropicalization problems and applying corrosion prevention technology.

The last is funded by U.N.F.P.A. for the Vietnam Committee for Social Science to develop social science research in populations in the country.

## SOCIAL

**Swedish Reporter Views Outlook for Cultural Liberalization**  
*36500082 Stockholm DAGENS NYHETER in Swedish*  
13 Mar 89 p 4

[Article by Per Allan Olsson: "'You Can't Applaud With One Hand:' Vietnam's Culture Seeks Contacts"; first paragraph is DAGENS NYHETER introduction]

[Text] Culture in Vietnam suffers from shortages of almost everything—paper, paint, modern technology, foreign contacts. Supporting culture would be the best

way of supporting the struggle for humanism and democracy which people working in the country's cultural sphere are waging on a broad front, Per Allan Olsson writes in his final article from a changing Vietnam.

After having been confronted by the new Vietnamese openness for days, a NEW YORK TIMES correspondent told his guide and interpreter: "Despite all of this, you're really still a communist and an extension of the government." Naturally this was a slap in the face.

The interpreter mentions this to me as an example of the simplistic descriptions the Vietnamese still live with. There is still something about the many aspects of cultural riches which the West's reductions have pushed to one side, she says.

To be sure, the 1975 liberation unfortunately did not bring with it any exchange with the outside world to change this image. Popular culture was carefully shut behind a doubly-locked door. On the one hand, there was domestic repression, on the other hand, there was the isolation to which the world's nations almost unanimously condemned Vietnam after its invasion of Cambodia. The outside world's labeling now went this way: "Army of liberation" could now be replaced by "occupation force" and—from a more positive point of view—"a country receiving foreign aid." It is under these concepts that a poorly known Vietnam still lives.

Today, the impatience of cultural workers is increasing at the same pace as the ideological thaw of which they have been such a major part. Wherever I go in Hanoi, I am struck by this pent up yearning to appear before the outside world. In the minuscule cafes where artists gather, in galleries and publishing houses, they say: "You can't miss..." "You've got to write about this!"

There is keen and sincere disappointment when some major form of artistic expression is temporarily taken down or relocated to another part of the country.

### Melodic Unity

But I am lucky too: During my visit, after a long wait, serious popular music begins to reemerge in Hanoi. This tradition, which has its roots in both Chinese and Indian music and in court and peasant culture, is enjoying a renaissance in Vietnam. At Hanoi's conservatory, it has a position equal to that of western art music.

The "Festival of National Instruments," as the event is called, is held at the Hanoi opera house built by the French in 1911, a building which today houses music and theater of the most varied sort.

In the orchestral pieces, instruments the names of which I had only heard of up till then were brought together. Here the king of the instruments is the *trung*, a hammock-like xylophone several meters long made up of bamboo slats. Around the *trung* are grouped sections of

stringed instruments: the two-stringed "moon guitar" *dan ty ba*, which by its shape resembles the European lute; and the *tranh*, a dome-shaped zither with 16 strings. There are also bamboo flutes, a Vietnamese oboe, and a number of percussion instruments: gongs, wood blocks, and drumsticks.

Some soloists from the conservatory's first year class bring particular delight. They play the *dan nhi*, the two-stringed fiddle, and the national instrument above all others—a zither with only one string whose tension the musicians vary continually.

"We could afford just one string," the man sitting next to me says with typical Vietnamese irony. "It's difficult, but with that string you can do everything."

The musicians modulate from scale to scale using glissandi and every conceivable type of ornamentation. Quick runs—as in the Indian raga—announce the melodies, which are long and sinuous. The music is clearly "Asiatic" but, at the same time, in Western terms, strikingly melodious. It is an enjoyable surprise.

Now and then I am startled by sudden jumps in tone—but also recognize them from the spoken language. The close relationship between language, poetry, and music is another special Vietnamese trait: Each word has up to six different pitches, each phrase has a melodic curve.

"The genres have been fused since time immemorial," says Vu Quang Vinh, who is a theater historian and the chief of Hanoi's successful Children's Theater. "Traditional music and poetry—the court's and the people's—are intimately bound up with genuine Vietnamese theater."

Vinh explains about *Tung* and *Cheo*, the old, stylized forms of theater which integrate music, singing, and recitation. From the beginning, *Tung*, which can be traced back to the 13th century, was the theater of the mandarins and was influenced by Chinese music drama. *Cheo* is popular theater which first appeared 1,000 years ago in Red River song and dance rites. *Cai Luong* is another "reformed" musical theater which combines old and new—a theater which originated in the south around the turn of the century as a protest against French cultural censorship.

"All of these forms have their own theater companies in the north and south," Vinh says. "They exist and flourish side by side with the spoken theater, *kich noi*. To this add an especially rich puppet tradition, *roi nuoc*—the 'water doll theater'—which originated in the Red River delta, and is as old as *cheo*."

Vinh naturally believes the theater—as a total art work—is a particularly good medium of exchange with the outside world. But every meeting I have with painters, filmmakers, authors, and publishers leads to the same sorts of statements and questions: This conversation

isn't really over, is it? Can't we do something together? The government takes so long....

Often this is expressed—customarily—with images. "One hand cannot applaud," said Hai Ninh, a director and the head of Vietnam Feature Films in Hanoi, who showed me around its studios. The management of this Vietnamese feature film company is housed in an attractive building—one of those mustard-yellow colonial houses with green shutters of which Hanoi has so many.

The work of producing films is carried out under the poorest conditions imaginable in nearby warehouse buildings. Ninh is not embarrassed to demonstrate the patchwork of antiquated technology, an unlikely assortment of Hungarian, Russian, and Chinese equipment.

A dozen feature films are still produced each year. The one I saw—"That Fellow Bum"—by the young director Lee Dhuc Tui, is one of the biggest recent successes. The film is about a peasant boy who has dreams of reaching the life of a mandarin and leaving his own life behind. The homeless boy's tragedy is revealed with a burlesque comic sense. It is poignant, but it is also clear that Tin had to coordinate picture and sound with defective projection equipment.

"The film crew often has to wait for lenses which are in use elsewhere," Hai Ninh says. "We have to accept this meekly. But it's obvious a zoom lens wouldn't be bad. Could you help us?"

#### Publishers' Needs

At the book publishers I visit, the most urgent needs are assigned to three categories. Contact with "world literature." Paper. Financial assistance in publishing.

Ly Hai Chau, the head of the Literary Publishing Company in Hanoi—the largest Vietnamese publisher of literature—gives me a succinct and somewhat impressionistic picture of the firm's history and present state. After its establishment in 1948, the company started a publishing program which included Greek, Latin, and other European classics. However, war against the French and the Americans put a quick stop to all ambitious plans for such extensive publishing. Since the fifties, Russian, Chinese, and, to a certain extent, Indian translations have predominated. Other languages have been neglected.

"Nowadays we follow world literature through French journals," Chau says. "Of course this is not sufficient, but the main problem is still gaining access to the books. The network of contacts is limited and unpredictable."

Chau shows me a 10-year plan for foreign literature which was adopted in 1981. Most of it is taken up by Russian authors, there is no more than a dozen from other languages. The plan does not appear to have been implemented, but other works have appeared. Chau cites

as examples Patrick White's "The Tree of Man," Ibsen's plays—all the major ones have now been published—and the first books from Sweden: "Gosta Berling's Saga" and a collection of short stories by Selma Lagerlof; "The People of Hemso" and "The Red Room." The first two are printed, the last title is in preparation.

"We have also translated 'The Son of the Servant' but unfortunately we think it will only be an abridged version, perhaps a school edition. Does it exist in its entirety in French or English?"

Chau cannot explain why these novels in particular have come out or how they came out. The publishing house lacks a knowledge of Swedish literature, he acknowledges. In his next breath he asks whether I can help—with books, with an introduction.

Just as all other domestic works, Lagerlof and Strindberg are printed on a coarse, brown paper. To a European it reeks of the 19th century. The printing is uneven, hard on the eyes. But there is even a shortage of this paper. The quality product from the Swedish-built Bay Bang—with an overall production equivalent to one-tenth that of a larger Swedish mill—goes for other uses.

Under optimal conditions, the paper quota allocated to the Literary Publishing Company makes runs of approximately 10,000 copies possible. The demand is frequently many times that amount. This has meant that literature as well has become part of the black market. Street vendors have the sought after books under their counters.

In the pile of books which Chau has chosen to exhibit, there are two shining exceptions from the technical point of view: The French and Indian embassies have contributed paper and dustjackets for La Fontaine's animal fables and the Hindu epic the "Ramayana."

#### Fogelstrom

The Workers Press in Hanoi, which belongs to the Vietnamese trade union federation, has a fraction of the Literary Publishing Company's resources. It issues about 60 titles per year: Two-thirds are devoted to politics, economics, and technical subjects, the remainder is literature, overwhelmingly Vietnamese. One cultural mission—literary and social—is supporting new authors who depict workers' lives. Vietnam's most read contemporary author, Nguyen Manh Tuan, got his start here.

The wishes of Le Than Tung, the head of the press, are not different from his colleagues', but in the Workers Press' impoverished environment, I see for the first time how distant change is. Nevertheless, like many others, Tung quickly chooses to speak of Swedish efforts on behalf of Vietnam, even if they have not reached his firm. For him, the Olof Palme Hospital in Hanoi symbolizes this help.



"The Vietnamese woman who has her child there can consider herself lucky," he says. "It's a paradise!"

Later, he can still recall an old anthology with some Swedish pieces. We look it up—and find three short stories by [Per Anders] Fogelstrom [a 20th century writer and journalist], [Kerstin] Aner [a politician and journalist], and [Karl-]Ivar Lo-Johansson [a novelist known for his treatment of working-class subjects].

"For me, this is a mystery," Tung says. "How can I know so little about a country which is so dear to me?"

Le Than Tung is far from being the first to say so.

The material poverty of the cultural world is evenly divided. Painters lack gold and silver for their lacquer paintings, oil paints which are not produced in Vietnam are often unreasonably expensive. Musical instrument makers lack the woods needed to construct traditional instruments—a new commodity in short supply in this musical renaissance.

The film industry's shortages in working conditions and technology are shared by the theater. The few spotlights which illumine the Workers Stage in Hanoi permit no experimentation between full lighting and darkness. Elsewhere in the city, the Youth Theater still lacks its promised stage after 10 years. Its head, Vu Quang Vinh, shows me the gaping concrete hole next to the rehearsal area. The foundation has been laid, but the continuation [of the work] is written in the stars. The opera house, the one place able to provide some sort of comfort, and visual and acoustic advice to Hanoi theater, also needs extensive restoration.

If the Soviet Union is excepted, it of course comes as no surprise that the cultural world has not received any foreign aid. In contrast with humanitarian aid, aid to culture in Vietnam—and [cultural] exchange—has meant taking a certain position on the Southeast Asian conflict. This is something the Swedish government has not dared to do either.

A more appropriate afterthought is that the Vietnam Movement—in Sweden and elsewhere—so completely severed its interest in the Vietnamese people after the liberation and the invasion of Cambodia. Despite the new openness in Vietnam, the shattered commitment is still that. It seems the Swedish Government as well lacks the general feeling needed to go further on exchanges.

Earlier Vietnam signed more official cultural agreements with France and India. However, neither the minister of culture in Hanoi nor individual artists can report any more far-reaching result. In the course of my visit I often hear cultural initiatives from Australia being discussed—the country which has also taken in the most refugees from Vietnam.

In Southeast Asia, all countries are now expressing confidence in Vietnam's promise to leave Cambodia. On an almost daily basis, the newspapers in Indonesia, Singapore, Malaysia, and Thailand write about Vietnam's behavior within the community. The political commentaries are in the same vein: The trend towards economic self-sufficiency has won out over the ideological conflicts in the region. Vietnam is viewed as a market of the future. Similar signals are coming from Japan and Europe. Semi-public "joint ventures" will get the ball rolling in Vietnam.

The field of culture still lacks a comparable initiative. There is still a way to learn about Vietnam which gets out from behind labels. And there is still room for the support the country's cultural workers need in their fight for the democratization of Vietnamese society.

This was the third and final article in the series. Previous articles were published on 5 and 7 March.

#### **Culture Ministry Issues Directive on Video Film Shows**

*BK0905095089 Hanoi Domestic Service in Vietnamese 1430 GMT 6 May 89*

[Text] Recently, the Ministry of Culture made public the following directive:

The right to approve or ban video film shows belongs exclusively to the Ministry of Culture and cultural and information services. The objective of this directive is to put an end to the current bad situation—in which many echelons and leading officials in other branches have given themselves the right to approve the showing of unhealthy video tapes.

Only video films that have been approved by the Central Board of Censors are allowed for commercial shows. Units and individuals that give commercial shows of video tapes other than those distributed by FAFIM [Vietnam Film Export-Import and Distribution Corporation] shall be subjected to heavy fines.

Video films that are produced by the various localities, branches unrelated to the cultural sector, or private parties must have the approval of the central or local board of censors and must strictly comply with set regulations.

Productions approved for distribution must be submitted to the Film and Video Tape Export-Import Corporation for review so that uniform prices and release procedures and distribution schedules can be set up. Even if FAFIM does not set conditions for buying these productions, the producers still have to obtain distribution permits and guarantee strict compliance with set regulations. In addition, the showings of these video films must be subjected to the control of the cultural and information services.

### **Subsidies for Working Mothers**

42090239 Hanoi PHU NU VIET NAM in Vietnamese  
22 Feb 89 p 4

['Policy System Answers' column: "New Policy System for Giving Birth"]

[Text] [Question] Would the editor's office tell us about the system of subsidized assistance for giving birth and purchasing materials for a child; the system of subsidies for having a miscarriage or abortion; and how a number of medical measures for family planning are stipulated at the present time?

[Answer] On 1 January 1989, the Vietnam General Confederation of Labor issued Circular 01/TLD stipulating subsidies for giving birth and purchasing materials for children as follows:

#### **1. Assistance recipients:**

—Female workers and civil servants giving birth to their first and second child.

—Female workers and civil servants giving birth for the first time to twins or triplets, or who already have one child and give birth to twin or triplets.

#### **2. The level of assistance is 15,000 (fifteen thousand) dong, including:**

—10,000 dong to improve the health of the mother.

—5,000 dong to purchase materials for the newborn child (assistance funds to purchase materials for a child are applied and implemented also for female workers and civil servants without children who lawfully adopt an infant under 10 months old).

Under circumstances in which twin or triplets are born the first time, or if there is already one child and twins or triplets are born at the second birth, the subsidy to care for and purchase materials for the children is double or triple the level stipulated above.

To ensure the actual value of assistance, provide social insurance during the present situation of fluctuating prices, and at the same time actively support the population policy of the state in accordance with Decision 162/HDBT on 18 October 1988 of the Council of Ministers on population and family planning policy, the Vietnam General Confederation of Labor has stipulated a system of financial assistance for miscarriages and abortions and implementing a number of medical measures for family planning as follows:

#### **1. Assistance Recipients:**

—A female worker or public servant who suffers a miscarriage during her first or second pregnancy.

—A female worker or public servant (childless or with one to two children) who is fitted for an IUD or has an endometrial aspiration or uterine evacuation performed for family planning purposes.

—A male worker or public servant who has a vasectomy, or a female worker or public servant who has a tubal ligation as a contraceptive measure.

#### **2. Leave (including Sundays and holidays) and level of assistance subsidies:**

—A female worker or public servant having a miscarriage or abortion when 3 months pregnant will receive 20 days leave, and when more than 3 months pregnant, a leave of 30 days.

Full pay will be received during the leave. Moreover, a health subsidy of 5,000 (five thousand) dong will be paid.

—Male workers and public servants having a vasectomy performed and female workers and public servants having a tubal ligation performed will receive 15 days leave with full pay and an assistance subsidy of 15,000 (fifteen thousand) dong.

—Female workers or public servants having an IUD installed or endometrial aspiration performed will receive 7 days leave and financial assistance equal to their salary.

The systems above are in effect as of 1 January 1989.

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